



**31 August 2012**

## **COMPANY ANNOUNCEMENT**

The following is a company announcement issued by GO p.l.c. ("**the Company**") pursuant to Malta Financial Services Authority Listing Rules.

### **Quote**

In a meeting held earlier today the 31<sup>st</sup> August 2012, the Board of Directors of the Company approved the attached Group Interim Unaudited Financial Statements for the six-month period ended 30 June 2012.

The Interim Financial Statements are available for viewing on the Company's website [www.go.com.mt](http://www.go.com.mt)

### **Unquote**

A handwritten signature in blue ink, appearing to read 'F. Salomone'.

**Dr. Francis Galea Salomone LL.D.**  
**Company Secretary**

**GO p.l.c.**

Condensed Consolidated  
Interim Financial Statements

For the Period 1 January 2012 to  
30 June 2012

# GO p.l.c.

## Condensed Consolidated Interim Financial Statements

For the Period 1 January 2012 to 30 June 2012

### Contents

	<b>Page</b>
Directors' Report pursuant to Listing Rule 5.75.2	1 - 3
Condensed Consolidated Interim Financial Statements:	
Condensed Consolidated Interim Statement of Financial Position	4 - 5
Condensed Consolidated Interim Income Statement	6
Condensed Consolidated Interim Statement of Comprehensive Income	7
Condensed Consolidated Interim Statement of Changes in Equity	8 - 9
Condensed Consolidated Interim Statement of Cash Flows	10 - 11
Notes to the Condensed Consolidated Interim Financial Statements	12 - 21
Statement pursuant to Listing Rule 5.75.3	22
Independent Auditor's Report on Review of Condensed Consolidated Interim Financial Information	

# GO p.l.c.

## Directors' Report pursuant to Listing Rule 5.75.2

For the period 1 January 2012 to 30 June 2012

---

*This Half-Yearly Report is being published in terms of Chapter 5 of the Listing Rules of the Listing Authority – Malta Financial Services Authority and the Prevention of Financial Markets Abuse Act, 2005. The Half-Yearly Report comprises the reviewed (not audited) condensed consolidated interim financial statements for the six months ended 30 June 2012 prepared in accordance with International Financial Reporting Standards adopted for use in the EU for interim financial statements (International Accounting Standard 34, 'Interim Financial Reporting'). The condensed consolidated interim financial statements have been reviewed in accordance with the requirements of ISRE 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. The comparative statement of financial position has been extracted from the audited financial statements for the year ended 31 December 2011.*

### **Principal activities**

The Group is Malta's leading telecommunications and ancillary services provider. The services provided by the Group include fixed-line and mobile telephony services, broadband and internet services, digital terrestrial television, IPTV and data centre operations. The Company also has an interest in a jointly-controlled entity (Forgendo Limited), a company registered in Cyprus. Forgendo Limited currently holds an investment in an associate (Forthnet S.A.) registered in Greece, which provides fixed-line telephony, broadband and satellite TV services in Greece.

Insofar as their electronic communications operations are concerned, the Company and certain of its subsidiary companies are regulated by and are subject to the provisions of the Electronic Communications (Regulation) Act, 2004 and regulations issued thereunder.

### **Review of financial performance**

During the first six months of the current financial year the Group registered an operating profit of €11.4 million, an increase of €2.1 million over 2011. Furthermore, the Group also recognised a gain of €11.4 million following the sale of property in Qawra. Whilst the results of 2011 were negatively impacted by the impairment of the Company's investment in Forthnet through Forgendo, no material impairment is being recognised on this investment during the period under review. GO is reporting a profit before tax of €20.4 million compared to a loss of €14.1 million in the comparative period.

During the period under review the Company concluded an agreement with the Government of Malta (GOM) through which the Company acquired eleven properties, collectively referred to as the 'GOM Properties' for a value of €13.8 million and concurrently GO sold to the GOM the land situated in Qawra, limits of St. Paul's Bay, also for a value of €13.8 million. The GOM Properties are required for the Company's core operations; however, the Company did not have full and proper title to such properties. The land in Qawra was recognised by the Company within inventories as at 31 December 2011 at a carrying value of €2.4 million which therefore resulted in GO recognising a gain of €11.4 million.

The results of 2012 and the comparative period were both negatively impacted by voluntary retirement costs and pension obligations, items considered to be of an unusual nature, size or incidence, whilst during the period under review GO secured the recovery of a long outstanding receivable not attributable to the Group's trading activities. The removal of the combined impact of these items of unusual nature, size or incidence show a normalised operating profit of €10.5 million in 2012 compared to €12.4 million registered in the comparative period. The deterioration in the operating performance of the Group is substantially due to lower revenues, which was not compensated for by a decrease in costs.

# GO p.l.c.

## Directors' Report pursuant to Listing Rule 5.75.2

For the period 1 January 2012 to 30 June 2012

---

The Group's revenue amounted to €63.6 million compared to €65.2 million in 2011 representing a decline of 2.4%, which is essentially the result of a combination of lower retail revenues reflecting intense competition across all product lines and lower wholesale revenues attributable to a reduction in mobile termination rates as mandated by the Malta Communications Authority. Whilst the Group retains a strong client base, a substantial portion of which through bundled services, ARPU of most products is under pressure resulting in lower revenues from most products when compared to 2011. It is indeed encouraging to highlight the continued growth in TV services and an ever increasing proportion of clients opting for Homepack, the Group's highly successful bundle of services aimed at satisfying all telecommunication needs of a household.

Cost of sales and administration costs excluding costs of an unusual nature, size or incidence amounted to €53.6 million, which represents a marginal increase of €0.3 million over the comparative period. Whilst the Group successfully pursued cost reductions in various areas, it also experienced increased incidence of costs directly related to sales activity and exceptionally in the operation of its networks. Throughout the period under review the Group's mobile business was migrating from legacy networks to new state of the art technology resulting in a one-time only substantial increase in costs.

The Group's earnings before interest, tax, depreciation and amortisation (EBITDA) and before non-recurring costs amounted to €24.5 million as against €26.1 million. Cash generation remains healthy and as at 30 June 2012 the Group held cash and cash equivalents of €12.4 million, an increase of €5 million over the levels registered as at 31 December 2011.

### **Commentary on performance**

Over the past years the Group pursued a strategy of providing its customers with the best possible customer experience. The Group invested in new technologies allowing it to improve the quality of its existing services and to widen its product portfolio. This strategy ensured that despite aggressive competition across all its product range the Group increased its customer connections beyond 500,000. Whilst churn across most products, particularly in mobile, is high, GO continues to service customer connections in excess of 500,000, a significant amount of which through ever increasing bundled product offerings. Whilst the Group continues to experience loss, albeit marginal, in fixed-line voice connections, following a period of no growth it has returned to growing its broadband and TV client base whilst mobile client base remains stable. This state of play highlights the extent to which the industry is performing within a highly saturated market where innovation, customer experience and value for money ensure an operator's ability to retain and grow market share.

In spite of the challenges faced by the industry, in particular pressure on retail prices and costs, GO maintains an effective call centre to support its clients. GO also extends on a regular basis offers to its clients. These initiatives remain constantly backed by an extensive investment programme in the Group's various networks. The ongoing investments in the fixed-line network are directed at further improving the broadband and TV experience of customers and in June 2012 GO upgraded its broadband network to enable the provision of higher-speed ADSL services even beyond 35 Mbps. Deployment of fibre continues and the next phase will imply increased activity to deliver fibre right to the doorstep of clients. Furthermore, the roll-out of the new mobile radio access network achieved till June 2012 has already enabled our mobile internet customers to reach speeds up to 42 Mbps. Today, GO clients have the ability to enjoy an unparalleled broadband experience seamlessly across both wired as well as wireless solution. The Group's ongoing investments in the mobile core will continue to strengthen the Group's position in this important segment.

# GO p.l.c.

## Directors' Report pursuant to Listing Rule 5.75.2

For the period 1 January 2012 to 30 June 2012

---

During the first half of 2012 the Group continued to pursue the rightsizing of its operations and headcount levels are just above 900. These reductions become possible as the Group improves business processes which help improve response time to client needs and contain costs.

Whilst pressure on revenue is expected to continue, the Group believes that its strategy will allow it to remain the service provider of choice for the majority of customers, ensuring long term sustainability of its operations.

### **Related party transactions**

During the period under review, the Group acquired services amounting to €0.04 million from entities ultimately controlled by Dubai Holdings LLC, the ultimate parent company. No dividends were paid to the parent company.

### **Dividends**

The Board of Directors has resolved to determine the extent of dividend distribution for 2012 on the basis of the full results for the year. Accordingly, no dividends are declared upon issue of the results for the six-month period ended 30 June 2012.

Approved by the Board of Directors on 31 August 2012 and signed on its behalf by



Deepak S Padmanabhan  
Chairman



Nikhil Patil  
Director

## GO p.l.c.

## Condensed Consolidated Interim Financial Statements

## Statement of financial position

As at 30 June 2012

	Notes	As at 30.06.12 €000	As at 31.12.11 €000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	133,027	120,789
Investment property		1,571	1,140
Intangible assets		22,827	26,347
Loans receivable from jointly-controlled entity	7	3,079	3,625
Other investments and related instruments		100	100
Deferred tax assets		6,393	5,670
Trade and other receivables		1,206	1,018
		-----	-----
Total non-current assets		168,203	158,689
		-----	-----
<b>Current assets</b>			
Inventories		6,059	8,335
Trade and other receivables		37,363	35,314
Current tax assets		640	3,393
Cash at bank and in hand		15,653	9,302
		-----	-----
Total current assets		59,715	56,344
		-----	-----
<b>Total assets</b>		<b>227,918</b>	<b>215,033</b>
		=====	=====
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		58,998	58,998
Reserves		16,292	15,499
Retained earnings		24,141	8,863
		-----	-----
<b>Total capital and reserves attributable to owners of the Company</b>		<b>99,431</b>	<b>83,360</b>
		-----	-----

## GO p.l.c.

## Condensed Consolidated Interim Financial Statements

## Statement of financial position (continued)

As at 30 June 2012

	Notes	As at 30.06.12 €000	As at 31.12.11 €000
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings		61,733	66,000
Derivative financial instruments		1,468	1,483
Deferred tax liabilities		6,029	2,873
Trade and other payables		2,541	2,450
Provisions for pensions	8	2,968	3,070
		-----	-----
Total non-current liabilities		74,739	75,876
		-----	-----
<b>Current liabilities</b>			
Trade and other payables		40,529	49,790
Current tax liabilities		688	208
Borrowings		9,683	3,142
Provisions for pensions	8	2,848	2,657
		-----	-----
Total current liabilities		53,748	55,797
		-----	-----
<b>Total liabilities</b>		128,487	131,673
		-----	-----
<b>Total equity and liabilities</b>		227,918	215,033
		=====	=====

The notes on pages 12 to 21 are an integral part of these condensed consolidated interim financial statements.

The condensed consolidated interim financial statements set out on pages 4 to 21 were approved by the Board of Directors on 31 August 2012 and were signed on its behalf by:



Deepak S Padmanabhan  
Chairman



Nikhil Patil  
Director



## GO p.l.c.

## Condensed Consolidated Interim Financial Statements

## Income statement

For the period 1 January 2012 to 30 June 2012

	Notes	Six months ended 30.06.12 €000	Six months ended 30.06.11 €000
Revenue		63,628	65,199
Cost of sales		(39,355)	(38,951)
<b>Gross profit</b>		<b>24,273</b>	26,248
Administrative and other related expenses		(13,344)	(17,463)
Other income		565	466
Other expenses		(109)	(5)
<b>Operating profit</b>	9	<b>11,385</b>	9,246
Analysed as follows:			
Operating profit before non-recurring items		10,503	12,356
Non-recurring items presented within 'Administrative and other related expenses'		882	(3,110)
Operating profit after non-recurring items		11,385	9,246
Finance income		298	178
Finance costs		(1,342)	(1,334)
Adjustments arising on fair valuation of land and buildings		(770)	-
Gain on disposal of property	6	11,369	-
Losses attributable to investment in jointly-controlled entity	7	(574)	(22,229)
<b>Profit/(loss) before income tax</b>		<b>20,366</b>	(14,139)
Income tax expense		(5,088)	(3,147)
<b>Profit/(loss) for the period</b>		<b>15,278</b>	(17,286)
<b>Attributable to:</b>			
Owners of the Company		15,278	(17,835)
Non-controlling interests		-	549
<b>Profit/(loss) for the period</b>		<b>15,278</b>	(17,286)
<b>Earnings per share (euro cents)</b>		<b>15c1</b>	(17c6)

The notes on pages 12 to 21 are an integral part of these condensed consolidated interim financial statements.

## GO p.l.c.

## Condensed Consolidated Interim Financial Statements

## Statement of comprehensive income

For the period 1 January 2012 to 30 June 2012

	<b>Six months ended 30.06.12 €000</b>	Six months ended 30.06.11 €000
<b>Profit/(loss) for the period</b>	<b>15,278</b>	(17,286)
<b>Other comprehensive income</b>		
Change in fair value of derivative designated as hedging instrument in cash flow hedge	14	484
Surplus arising on revaluation of land and buildings	2,546	-
Income tax relating to components of other comprehensive income	(1,767)	(169)
	-----	-----
<b>Total other comprehensive income for the period, net of tax</b>	<b>793</b>	315
	-----	-----
<b>Total comprehensive income for the period</b>	<b>16,071</b>	(16,971)
	=====	=====
<b>Attributable to:</b>		
Owners of the Company	16,071	(17,520)
Non-controlling interests	-	549
	-----	-----
<b>Total comprehensive income for the period</b>	<b>16,071</b>	(16,971)
	=====	=====

The notes on pages 12 to 21 are an integral part of these condensed consolidated interim financial statements.

## Condensed Consolidated Interim Financial Statements

## Statement of changes in equity

For the period 1 January 2012 to 30 June 2012

	Attributable to the owners of the Company				Non-controlling interests €000	Total equity €000
	Share capital €000	Reserves €000	Retained earnings €000	Total €000		
Balance at 1 January 2011	58,998	20,047	65,043	144,088	5,391	149,479
<b>Comprehensive income</b>						
Profit or loss	-	-	(17,835)	(17,835)	549	(17,286)
Other comprehensive income:						
Cash flow hedge, net of deferred tax	-	315	-	315	-	315
Total other comprehensive income	-	315	-	315	-	315
Total comprehensive income for the period	-	315	(17,835)	(17,520)	549	(16,971)
<b>Transactions with owners in their capacity as owners</b>						
Contributions by and distributions to owners:						
Dividends to equity holders relating to the preceding financial year	-	-	(5,066)	(5,066)	-	(5,066)
Total transactions with owners	-	-	(5,066)	(5,066)	-	(5,066)
<b>Balance at 30 June 2011</b>	<b>58,998</b>	<b>20,362</b>	<b>42,142</b>	<b>121,502</b>	<b>5,940</b>	<b>127,442</b>

## Condensed Consolidated Interim Financial Statements

## Statement of changes in equity (continued)

For the period 1 January 2012 to 30 June 2012

	Attributable to the owners of the Company				Non-controlling interests €000	Total equity €000
	Share capital €000	Reserves €000	Retained earnings €000	Total €000		
Balance at 1 January 2012	58,998	15,499	8,863	83,360	-	83,360
<b>Comprehensive income</b>						
Profit or loss	-	-	15,278	15,278	-	15,278
Other comprehensive income:						
Cash flow hedge, net of deferred tax	-	9	-	9	-	9
Surplus arising on revaluation of land and buildings	-	2,546	-	2,546	-	2,546
Movements in deferred tax liability on revalued land and buildings determined on the basis applicable to capital gains	-	(1,762)	-	(1,762)	-	(1,762)
Total other comprehensive income	-	793	-	793	-	793
Total comprehensive income for the period	-	793	15,278	16,071	-	16,071
<b>Balance at 30 June 2012</b>	<b>58,998</b>	<b>16,292</b>	<b>24,141</b>	<b>99,431</b>	<b>-</b>	<b>99,431</b>

The notes on pages 12 to 21 are an integral part of these condensed consolidated interim financial statements.

## GO p.l.c.

## Condensed Consolidated Financial Statements

## Statement of cash flows

For the period 1 January 2012 to 30 June 2012

	<b>Six months ended 30.06.12 €000</b>	Six months ended 30.06.11 €000
<b>Cash flows from operating activities</b>		
Operating profit	11,385	9,246
Adjustments for:		
Depreciation and amortisation	13,968	13,771
Net (decrease)/increase in provisions and write-downs in relation to receivables and inventories	(427)	815
Voluntary retirement costs	629	559
Provisions for pensions	89	2,551
Other items	(20)	(17)
	-----	-----
	25,624	26,925
Changes in working capital:		
Inventories	(152)	(630)
Trade and other receivables	(1,631)	(1,451)
Trade and other payables	(7,984)	(4,847)
	-----	-----
Cash generated from operations	15,857	19,997
Interest received	81	3
Interest paid on bank overdrafts	(38)	(18)
Net taxation paid	(1,675)	(1,550)
Payments under voluntary retirement scheme	(629)	(559)
Payments in relation to pension obligations	-	(2,800)
	-----	-----
<b>Net cash from operating activities</b>	<b>13,596</b>	<b>15,073</b>
	-----	-----

## GO p.l.c.

## Condensed Consolidated Interim Financial Statements

## Statement of cash flows (continued)

For the period 1 January 2012 to 30 June 2012

	<b>Six months ended 30.06.12 €000</b>	Six months ended 30.06.11 €000
<b>Cash flows from investing activities</b>		
Payments to acquire property, plant and equipment and intangible assets	(8,528)	(8,257)
Advances to jointly-controlled entity	-	(322)
Repayments received in relation to advances to jointly-controlled entity	-	730
	-----	-----
<b>Net cash used in investing activities</b>	<b>(8,528)</b>	<b>(7,849)</b>
	-----	-----
<b>Cash flows from financing activities</b>		
Proceeds from non-current bank borrowings	2,981	-
Repayments of bank borrowings	(1,000)	(1,000)
Dividends paid	-	(5,066)
Loan interest paid	(937)	(1,307)
	-----	-----
<b>Net cash generated from/(used in) financing activities</b>	<b>1,044</b>	<b>(7,373)</b>
	-----	-----
<b>Net movement in cash and cash equivalents</b>	<b>6,112</b>	<b>(149)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>7,320</b>	<b>8,109</b>
Exchange gains on cash and cash equivalents	(53)	45
Movement in cash pledged as guarantees	(1,022)	(3)
	-----	-----
<b>Cash and cash equivalents at end of period</b>	<b>12,357</b>	<b>8,002</b>
	=====	=====

The notes on pages 12 to 21 are an integral part of these condensed consolidated interim financial statements.

# GO p.l.c.

## Notes to the condensed consolidated interim financial statements

For the period 1 January 2012 to 30 June 2012

---

### 1 General information

GO p.l.c. (“the Company”) is a limited liability company domiciled and incorporated in Malta. The condensed consolidated interim financial statements of the Company as at 30 June 2012 and for the six-month period then ended comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in Forghendo Limited (the “jointly-controlled entity”), a company registered in Cyprus. The Group operates in Malta and is primarily involved in the provision of telecommunications services (both fixed and mobile), internet related services, digital terrestrial television in Malta and in the operation of data centres.

The consolidated financial statements of the Group as at and for the year ended 31 December 2011 are available upon request from the Company’s registered office at Fra Diegu Street, Marsa, MRS 1501, Malta. They are also available for viewing on its website at [www.go.com.mt](http://www.go.com.mt).

This condensed consolidated interim financial information was approved for issue by the Board of Directors on 31 August 2012.

This condensed consolidated interim financial information has been reviewed, not audited, in accordance with the requirements of ISRE 2410 ‘Review of Interim Financial Information Performed by the Independent Auditor of the Entity’.

### 2 Developments in connection with the Group’s investment in jointly-controlled entity

GO p.l.c. controls 50% of the share capital of its jointly-controlled entity, Forghendo Limited (Forghendo). The jointly-controlled entity’s sole activity is that of holding investments in its associated undertaking, Hellenic Company for Telecommunications and Telematic Applications S.A. (Forthnet S.A. or Forthnet), a Greek company listed on the Athens Stock Exchange. As at 30 June 2012, the ownership interest of the jointly-controlled entity in Forthnet S.A. was 41.27% (31 December 2011: 41.27%).

The carrying amount of GO’s exposures to Forghendo, at 30 June 2012, amounted to €3.1 million (31 December 2011: €3.6 million), constituting investments originally amounting to €123 million adjusted by GO’s share of losses incurred by Forghendo in relation to Forthnet over the years and adjusted by GO’s impairment losses on receivables from Forghendo. Further information on the Group’s investments can be found in Note 7 to the condensed consolidated interim financial statements.

#### *Impacts on the interim financial information for the six month period ended 30 June 2011*

The consolidated income statement of GO p.l.c. for the six-month period ended 30 June 2011 reflected GO’s 50.0% share of Forghendo’s results, which comprised the effects in its income statement of the share of Forthnet’s losses and the impairment charge on the carrying amount of the investment in Forthnet. The impairment charge adjusted the carrying amount of the equity investment in Forthnet, post Forghendo’s share of consolidated losses, to its recoverable amount determined by Forghendo’s management on the basis of Forthnet’s value in use. The value in use of Forghendo’s investment in Forthnet is based on cash flow projections for the period covered by the most recent forecasts reflected in the business plan approved by Forthnet’s board of directors.

# GO p.l.c.

## Notes to the condensed consolidated interim financial statements

For the period 1 January 2012 to 30 June 2012

---

### **2 Developments in connection with the Group's investment in jointly-controlled entity (continued)**

During the period ended 30 June 2011, GO's share of Forgendo's interim losses amounted to €22.2 million. However since the carrying amount of the equity investment in Forgendo amounted to €3.8 million, GO had to recognise only this amount as GO's share of the results of Forgendo, bringing the carrying amount of the equity investment in Forgendo to nil. The remaining amount of €18.4 million in substance represented, and has been reflected as, impairment losses on the advances to Forgendo as a result of the value in use estimation process referred to above and of Forgendo's net liability position as at 30 June 2011.

#### *Impacts on the interim financial information for the six month period ended 30 June 2012*

As disclosed in the consolidated annual financial statements of GO for the year ended 31 December 2011, Forgendo's management did not view the value in use calculation as a reliable indicator of the investment's recoverable amount as at 31 December 2011 in view of the outcome of scenario analysis and the continued economic uncertainty prevailing in the Greek market. Estimation of the investment's fair value less costs to sell on the basis of the equity's quoted market price as at 31 December 2011 was deemed to be a more reliable and prudent reflection of recoverable amount, notwithstanding the implications of the transfer of Forthnet's shares to the 'Under Surveillance Segment' and the prevailing thin market in such shares. As at 30 June 2012, the market value of Forgendo's investment in Forthnet, based on quoted share price, amounted to €6.2 million and this was again considered to be the more reliable and prudent reflection of the investment's recoverable amount.

The consolidated income statement of GO p.l.c. should reflect GO's 50% share of Forgendo's results. However the carrying value of the equity investment in Forgendo since 30 June 2011 is nil and accordingly GO's share of losses is not recognised. The unrecognised amount of losses in substance represents an indicator of impairment losses on the advances and other amounts receivable from Forgendo. A further impairment loss of €0.6 million was recognised during the six-month period ended 30 June 2012 by GO p.l.c. in relation to loans and other amounts receivable (Note 7). The recoverable amount of the loans and other amounts receivable was determined on the basis of 50% of the recoverable amount of Forgendo's principal asset, its investment in Forthnet, considering the fact that the liabilities of Forgendo are predominantly attributable to the company's shareholders allocated in a manner which is proportionate to respective shareholding. This impairment loss also addresses GO's confirmation to the Board of Forgendo that it will make available such funds and other financial support as may be required, to enable Forgendo to cover any deficiency in equity and any liquidity requirements that may arise to cover its liabilities, as and when they fall due. Accordingly, the resultant balance of loans receivable from Forgendo of €3.1 million, reflected in GO's financial information, constitutes the remaining exposure to Forgendo at 30 June 2012.



# GO p.l.c.

## Notes to the condensed consolidated interim financial statements

For the period 1 January 2012 to 30 June 2012

---

### **2 Developments in connection with the Group's investment in jointly-controlled entity (continued)**

#### *Events after the reporting period*

On 23 August 2012, the Extraordinary General Meeting of the shareholders of Forthnet S.A. approved the resolution of the following principal items:

- Increase of the nominal value of each Company share by simultaneously consolidating and decreasing the total number of shares (reverse split);
- Decrease of the Company's share capital by decreasing the nominal value of the shares for the purpose of forming a special reserve of an equal amount;
- Increase of the Company Share Capital through payment of cash with pre-emption rights in favour of the Company's existing shareholders and with oversubscription rights, with a view to raising up to €30.2 million.

As at the date of authorisation for issue of GO's interim financial information, the above changes are still subject to regulatory approval.

Forgendo Limited has expressed its positive intention with respect to the maintenance of the percentage of its participation in the share capital of Forthnet until completion of the increase in Forthnet's share capital. On 28 August 2012, GO p.l.c. has announced that the Board of Directors will be taking a decision whether or not to fund the capital increase referred to above at a Board meeting to be held subsequent to the date of approval of this interim financial information.

### **3 Basis of preparation**

The condensed consolidated interim financial information for the six-month period ended 30 June 2012 has been prepared in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34, 'Interim Financial Reporting'). The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2011, which have been prepared in accordance with IFRSs as adopted by the EU.

# GO p.l.c.

## Notes to the condensed consolidated interim financial statements

For the period 1 January 2012 to 30 June 2012

---

### 4 Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2011, as described in those annual financial statements.

*(a) Standards, interpretations and amendments to published standards effective in 2012*

In 2012, the Group adopted amendments to existing standards that are mandatory for the Group's accounting period beginning on 1 January 2012. The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in changes to the Group's accounting policies impacting the Group's financial performance and position.

*(b) Standards, interpretations and amendments to published standards that are not yet effective*

Certain new standards, amendments and interpretations to existing standards which are mandatory for accounting periods beginning after 1 January 2012 have been published by the date of authorisation for issue of this financial information. The Company's directors are of the opinion that there are no requirements that will have a possible significant impact on the Company's consolidated financial statements in the period of initial application.

### 5 Operating segments

*(a) Description of segments*

The Group has three reporting segments, as described below, which are the Group's strategic business units. The strategic business units offer different services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Board of Directors reviews internal management reports at least on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

*Fixed Communication Services (Fixed-line)* comprise the Group's fixed-line telephony services, digital television services, sale of broadband, internet services and other business communication solutions.

*Mobile Communication Services (Mobile)* comprise the Group's mobile telephony services.

*Data Centre Services (Data)* comprise the Group's data centre activities including co-location services.

The Group's internal reporting to the Board of Directors and senior executives is analysed according to the above segments. The segment results are based on results from operations adjusted for attributable finance costs.

## GO p.l.c.

## Notes to the condensed consolidated interim financial statements

For the period 1 January 2012 to 30 June 2012

**5 Operating segments (continued)***(b) Information about reportable segments for the six-month periods ended 30 June*

	Fixed-line		Mobile		Data Operations		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
	€000	€000	€000	€000	€000	€000	€000	€000
External revenues	<b>37,855</b>	37,292	<b>20,589</b>	22,307	<b>5,184</b>	5,600	<b>63,628</b>	65,199
Inter-segment revenues	<b>2,400</b>	2,776	<b>1,021</b>	2,777	-	-	<b>3,421</b>	5,553
Reportable segment results	<b>11,363</b>	(23,499)	<b>7,412</b>	7,373	<b>2,429</b>	2,666	<b>21,204</b>	(13,460)
Information about items presented within reportable segment results:								
Non-recurring items impacting operating profit (see Note 9)	<b>882</b>	(3,110)	-	-	-	-	<b>882</b>	(3,110)
Gain on disposal of property	<b>11,369</b>	-	-	-	-	-	<b>11,369</b>	-
Adjustments arising on fair valuation of land and buildings	<b>(770)</b>	-	-	-	-	-	<b>(770)</b>	-
Losses attributable to jointly-controlled entity	<b>(574)</b>	(22,229)	-	-	-	-	<b>(574)</b>	(22,229)
Reportable segment assets	<b>207,633</b>	252,807	<b>38,548</b>	41,869	<b>7,947</b>	15,332	<b>254,128</b>	310,008

# GO p.l.c.

## Notes to the condensed consolidated interim financial statements

For the period 1 January 2012 to 30 June 2012

### 5 Operating segments (continued)

*(b) Information about reportable segments for the six-month periods ended 30 June (continued)*

#### Reconciliation of reportable segment results

	<b>Six months ended 30.06.12 €000</b>	Six months ended 30.06.11 €000
Total results for reportable segments	<b>21,204</b>	(13,460)
Elimination of inter-segment profits	<b>(838)</b>	(679)
Profit/(loss) before income tax	<b>20,366</b>	(14,139)

### 6 Property, plant and equipment

*(a) Acquisitions and disposals*

During the six month period ended 30 June 2012, the Company concluded an agreement with the Government of Malta (GOM) to acquire eleven properties, collectively referred to as the 'GOM Properties' from the Government at the transfer price of €13.8 million. The GOM Properties were already occupied by the Company and are required for its core operations. However, the Company did not have full and proper title to the GOM Properties until acquisition.

In exchange for the GOM Properties, the Company transferred to the GOM the full ownership and all rights pertaining to, or on, the land situated in Qawra, limits of St. Paul's Bay, recognised within inventories as at 31 December 2011, with a carrying amount of €2,453,000. The market value and transfer price of the land situated in Qawra was established at €13.8 million and accordingly GO recognised a gain of €11,369,000 in profit or loss during the interim period under review.

During the six months ended 30 June 2012, the Group also acquired other assets, primarily plant and equipment, with a cost of €6.0 million (six months ended 30 June 2011: €5.1 million).

## GO p.l.c.

## Notes to the condensed consolidated interim financial statements

For the period 1 January 2012 to 30 June 2012

**6 Property, plant and equipment (continued)***(b) Capital commitments*

The following are capital commitments of the Group:

	<b>30.06.12</b>	31.12.11
	<b>€000</b>	€000
Contracted for	<b>7,228</b>	8,539
Authorised but not yet contracted for	-	112
	<b>7,228</b>	8,651

**7 Investment in jointly-controlled entity***(a) Equity investment*

As outlined in Note 2, the Company has a 50% interest in Forgado Limited, the jointly-controlled entity, which in turn has an investment in its associate, Forthnet S.A. During the interim period to 30 June 2011, the carrying amount of GO's equity investment in the jointly-controlled entity had been reduced to nil as a result of the partial recognition of GO's share of the interim financial results of Forgado in accordance with the requirements of equity accounting. The carrying amount of the equity investment remained nil at 30 June 2012 in view of Forgado's further registered losses during the interim period to 30 June 2012. The unrecognised share of losses of Forgado has in substance necessitated an impairment loss on the loans receivable from Forgado (see Note b below). GO is committed to make available funds and other financial support as may be required, to the extent of its interest, to enable Forgado to cover any deficiency in equity and any liquidity requirements that may arise to meet its liabilities, as and when they fall due.

*(b) Loans receivable*

Loans advanced to the jointly-controlled entity were subject to the following terms and conditions:

	<b>Interest</b>	<b>Repayable by</b>	<b>30.06.12</b>	31.12.11
	%		<b>€000</b>	€000
Loan 2	4.75	June 2013	<b>597</b>	597
Loan 3	4.75	August 2013	<b>54,882</b>	54,882
Loan 4	6 months Euribor +2.00%	July 2013	<b>463</b>	466
Loan 5	4.75	January 2014	<b>6,094</b>	3,262
Impairment loss			<b>(58,957)</b>	(55,582)
<b>Carrying amount</b>			<b>3,079</b>	3,625

# GO p.l.c.

## Notes to the condensed consolidated interim financial statements

For the period 1 January 2012 to 30 June 2012

### 7 Investment in jointly-controlled entity (continued)

#### (b) Loans receivable (continued)

The above loans are considered to be in substance part of the net investment in the jointly-controlled entity. The change in the gross loan amounts is attributable to the net movements arising from repayments of €3,000 and capitalisation of interest amounting to €2,832,000. The latter amounts due were already provided for as at 31 December 2011.

As a result of the developments highlighted in Note 2 to these interim financial statements and the matters referred to above in this Note, the loans receivable are deemed impaired. Impairment losses on loans receivable have been initially recognised during the six-month period ended 30 June 2011; further impairment losses have been registered in the subsequent six-month period and during the interim period up to 30 June 2012. The impairment losses were determined on the basis disclosed in the said Note 2.

#### (c) Financial information relating to the jointly-controlled entity

Amounts recognised in profit or loss in respect of the jointly-controlled-entity are as follows:

	<b>Six months ended 30.06.12 €000</b>	Six months ended 30.06.11 €000
Share of results of equity-accounted jointly-controlled entity	-	(3,827)
Impairment loss on loans receivable from jointly-controlled entity	<b>(574)</b>	(18,402)
	<b>=====</b>	<b>=====</b>

### 8 Provisions for pensions

As disclosed in the annual financial statements, GO p.l.c. was required to set up a pension scheme in favour of ex-Cable and Wireless employees following a judgement by the Court of Appeal on 7 July 2008. Subsequently the Company also received other claims for pension rights from a number of employees and former employees. The Company established the scheme on 1 July 2009 with effect from 1 January 1975. Subsequent to the setting up of the scheme, the Company offered a number of beneficiaries a one-time lump sum settlement in lieu of joining the scheme.

As at 30 June 2012, the Company estimated that its obligations towards the remaining potential beneficiaries amounted to €5.8 million (31 December 2011: €5.7 million).

# GO p.l.c.

## Notes to the condensed consolidated interim financial statements

For the period 1 January 2012 to 30 June 2012

### 9 Operating profit

During the interim period the following items of unusual nature, size or incidence have been charged/(credited) to operating profit:

	<b>Six months ended 30.06.12 €000</b>	Six months ended 30.06.11 €000
<b>Administrative and other related expenses:</b>		
Voluntary retirement costs (see note below)	629	559
Movement in provisions for pensions (see Note 8)	89	2,551
Reversal of provision for impairment in relation to specific receivables not attributable to the Group's trading activities	<b>(1,600)</b>	-
	<b>=====</b>	<b>=====</b>

The Company continued with its right-sizing programme by offering voluntary retirement schemes to its employees.

### 10 Contingencies

There were no major changes in the contingencies of the Company, its subsidiaries and the associate of the jointly-controlled entity from those disclosed in the consolidated financial statements of the Group for the year ended 31 December 2011.

### 11 Related parties

#### *(a) Parent and ultimate controlling party*

The Company's ultimate controlling party and ultimate parent is Dubai Holding LLC, the registered office of which is situated at Emirates Towers, Level 43, Office Block, Sheikh Zayed Road, Dubai, UAE. The immediate parent of the Company, with a 60% holding, is Emirates International Telecommunications (Malta) Limited, a company which is ultimately controlled by Dubai Holding LLC as it forms part of the same group of companies of which Dubai Holding LLC is the ultimate parent. Dubai Holding LLC is owned by H.H. Sheikh Mohammed Bin Rashid Al Makhtoum, Vice President and Prime Minister of the UAE and Ruler of Dubai.

#### *(b) Related party transactions*

Consistent with the disclosures in the audited financial statements for the year ended 31 December 2011, the Group has a related party relationship with its ultimate controlling party and entities ultimately controlled by it (see above); key management personnel together with close members of their family and entities controlled by them; and the Group's jointly-controlled entity.

## GO p.l.c.

## Notes to the condensed consolidated interim financial statements

For the period 1 January 2012 to 30 June 2012

**11 Related parties (continued)***(b) Related party transactions (continued)*

The principal related party transactions during the six month period under review comprise:

	<b>Six months ended 30.06.12 €000</b>	Six months ended 30.06.11 €000
<b>Ultimate controlling party and related entities</b>		
Services provided to	147	230
Services provided by	64	527
Payments on behalf of the Company by	81	382
Dividends paid to	-	3,040
	=====	=====
<b>Jointly-controlled entity</b>		
Finance interest receivable from	-	1,410
Loans advanced to	-	283
Capitalisation of loan interest	-	3,354
Amounts paid on behalf of	-	17
Repayments of loans advanced to	-	707
	=====	=====

*(c) Related party balances*

The principal balances with related parties are analysed as follows:

	<b>30.06.12 €000</b>	31.12.11 €000
<b>Ultimate controlling party and related entities</b>		
Amounts receivable from	137	227
Amounts payable to	(43)	(352)
	=====	=====
<b>Jointly-controlled entity</b>		
Loans receivable from	3,079	3,625
	=====	=====

Loans receivable from the jointly-controlled entity are stated net of provisions for impairment as disclosed in Note 7 to these interim financial statements.



GO p.l.c.

Statement pursuant to Listing Rule 5.75.3

---

I hereby confirm that to the best of my knowledge:

- the condensed consolidated interim financial statements give a true and fair view of the financial position of the Group as at 30 June 2012, and of its financial performance and cash flows for the six-month period then ended in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34, 'Interim Financial Reporting');
- the Interim Directors' report includes a fair review of the information required in terms of Listing Rules 5.81 to 5.84.



Deepak S Padmanabhan  
Chairman

31 August 2012



## **Independent auditor's report**

**To the Board of Directors of GO p.l.c.**

### **Report on Review of Condensed Consolidated Interim Financial Information**

#### *Introduction*

We have reviewed the accompanying condensed consolidated statement of financial position of GO p.l.c. as at 30 June 2012, the related condensed consolidated income statement and statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and the explanatory notes ('the interim financial information'). The directors are responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34 'Interim Financial Reporting'). Our responsibility is to express a conclusion on this interim financial information based on our review.

#### *Scope of review*

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

This report, including its conclusion, has been prepared for the Company for the purpose of the Listing Rules of the Malta Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 'Interim Financial Reporting'.



## Independent auditor's report (continued)

### *Emphasis of matter*

Without qualifying our conclusion, we draw attention to Note 2 to the condensed consolidated interim financial statements, which addresses developments in connection with the Group's investment in its jointly-controlled entity. This matter is considered to be of fundamental importance to the users' understanding of the financial information because of the nature of these developments and the potential impact they may have on the value of the Group's investment, which at 30 June 2012 was carried at €3.1 million (31 December 2011: €3.6 million).

### **PricewaterhouseCoopers**

167 Merchants Street  
Valletta  
Malta

A handwritten signature in black ink, appearing to read 'Simon Flynn'.

Simon Flynn  
Partner

31 August 2012

- 
- a) The maintenance and integrity of the GO p.l.c. website is the responsibility of the Directors of the Company; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the condensed consolidated interim financial information since this was initially presented on the website.
- b) Legislation in Malta governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.