



**27<sup>th</sup> February, 2008**

*COMPANY ANNOUNCEMENT*

The following is a Company Announcement issued by GO p.l.c. pursuant to Malta Financial Services Authority Listing Rule 8.7.4, 8.7.21, 8.7.23 and 9.35.2.

**Quote**

The Board of Directors of GO p.l.c. has approved the attached Preliminary Statement of annual results for the financial year ended 31<sup>st</sup> December 2007. These audited financial statements are also available for viewing on the Company's website at [www.go.com.mt](http://www.go.com.mt).

The Board of Directors further resolved to recommend that the Annual General Meeting which is being held on Friday 11<sup>th</sup> April 2008 at the Malta Hilton, St. Julians, approves the payment of a final net dividend of € 0.11c65 equivalent to Lm0.05c0 (2006 - Lm0.05c0) net of taxation per share. The payment of this Net Dividend amounts to the sum of € 11,802,672 equivalent to Lm5,066,887 (2006 - Lm5,065,524). Total distributions relating to this year's operations amount to € 0.15c14 equivalent to Lm0.06c5 (2006 – Lm0.06c5) net of taxation per share. The final dividend will be paid on the 16<sup>th</sup> of April, 2008 to all shareholders who are on the shareholders' register as at Friday the 14<sup>th</sup> of March 2008.

**Unquote**

A handwritten signature in blue ink, appearing to read 'Francis Galea Salomone', is written over a faint, light blue background.

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

# GO p.l.c.

## Preliminary Statement of Group Results and State of Affairs

At and For the Year Ended 31 December 2007

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	2007	2006
	Lm000	Lm000
<b>FINANCIAL HIGHLIGHTS</b>		
Revenue	56,643	55,476
Profit before income tax	11,855	12,023
Profit for the year	7,159	8,089
Total assets	115,626	111,752
Shareholders' funds	84,186	84,004
<b>INCOME STATEMENT</b>		
Revenue	56,643	55,476
Cost of sales	(34,392)	(29,893)
<b>Gross profit</b>	<b>22,251</b>	<b>25,583</b>
Other income	499	721
Administrative and distribution expenses	(12,381)	(11,274)
Voluntary retirement costs	(1,841)	(3,155)
VAT claim refundable	4,107	-
Other expenses	(169)	(253)
	<b>(9,785)</b>	<b>(13,961)</b>
<b>Results from operating activities</b>	<b>12,466</b>	<b>11,622</b>
Finance income	947	879
Finance expenses	(518)	(435)
<b>Net finance income</b>	<b>429</b>	<b>444</b>
Impairment loss on equity investment	(717)	-
Impairment loss on goodwill	(150)	-
Share of loss of equity accounted investee (net of income tax)	(173)	(43)
	<b>(1,040)</b>	<b>(43)</b>
<b>Profit before income tax</b>	<b>11,855</b>	<b>12,023</b>
Income tax expense	(4,696)	(3,934)
<b>Profit for the year</b>	<b>7,159</b>	<b>8,089</b>
<b>Earnings per share</b>	<b>7c1</b>	<b>8c0</b>

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**BALANCE SHEET**

	2007	2006
	Lm000	Lm000
<b>Assets</b>		
Property, plant and equipment	53,851	54,966
Intangible assets	4,933	5,338
Investment in associate	-	935
Other investments	14,783	13,702
Finance lease receivables	294	262
Deferred tax assets	109	574
<b>Total non-current assets</b>	<b>73,970</b>	<b>75,777</b>
Inventories	1,053	1,028
Trade and other receivables	19,297	13,925
Tax recoverable	8	2,314
Cash at bank and in hand	20,201	16,694
<b>Total current assets</b>	<b>40,559</b>	<b>33,961</b>
<b>Non-current assets classified as held for sale</b>	<b>1,097</b>	<b>2,014</b>
<b>Total assets</b>	<b>115,626</b>	<b>111,752</b>
	=====	=====
<b>Equity</b>		
Share capital	25,328	25,328
Reserves	1,523	2,599
Retained earnings	57,335	56,077
<b>Total equity</b>	<b>84,186</b>	<b>84,004</b>
	=====	=====
<b>Liabilities</b>		
Loans and borrowings	2,632	1,903
Provisions	14	16
<b>Total non-current liabilities</b>	<b>2,646</b>	<b>1,919</b>
Loans and borrowings	9,133	8,252
Trade and other payables	19,661	17,577
<b>Total current liabilities</b>	<b>28,794</b>	<b>25,829</b>
<b>Total liabilities</b>	<b>31,440</b>	<b>27,748</b>
	=====	=====
<b>Total equity and liabilities</b>	<b>115,626</b>	<b>111,752</b>
	=====	=====

This report has been extracted from the audited financial statements of the Group which were approved by the Board of Directors on 27 February 2008.

## STATEMENT OF CHANGES IN EQUITY

	Share capital	Other reserve	Hedging reserve	Fair value reserve	Insurance contingency reserve	Revaluation reserve	Retained earnings	Total
	Lm000	Lm000	Lm000	Lm000	Lm000	Lm000	Lm000	Lm000
Balance at 1 January 2006	25,328	1,819	11	347	150	405	59,166	87,226
Prior period adjustments	-	-	-	-	-	(111)	(4,836)	(4,947)
Balance at 1 January 2006 (restated)	25,328	1,819	11	347	150	294	54,330	82,279
Effective portion of changes in fair value of cash flow hedges, net of tax *	-	-	(17)	-	-	-	-	(17)
Changes in fair value of other investments *	-	-	-	13	-	-	-	13
Deferred taxation*	-	-	6	7	-	-	-	13
Revaluation of land and buildings (restated)	-	-	-	-	-	(294)	-	(294)
Profit for the year	-	-	-	-	-	-	8,089	8,089
Transfer from retained earnings:								
Unrealised gains	-	213	-	-	-	-	(213)	-
Transfer to insurance contingency reserve	-	-	-	-	50	-	(50)	-
Dividends to equity holders:								
Dividends approved at general meeting and paid	-	-	-	-	-	-	(4,559)	(4,559)
Interim dividend paid	-	-	-	-	-	-	(1,520)	(1,520)
Balance at 31 December 2006 (restated)	25,328	2,032	-	367	200	-	56,077	84,004
Balance at 1 January 2007 (restated)	25,328	2,032	-	367	200	-	56,077	84,004
Change in fair value of other investments*	-	-	-	(403)	-	-	-	(403)
Deferred taxation*	-	-	-	12	-	-	-	12
Profit for the year	-	-	-	-	-	-	7,159	7,159
Transfer to retained earnings:								
Unrealised gains	-	(735)	-	-	-	-	735	-
Transfer to insurance contingency reserve	-	-	-	-	50	-	(50)	-
Dividends to equity holders:								
Dividends approved at general meeting and paid	-	-	-	-	-	-	(5,066)	(5,066)
Interim dividend paid	-	-	-	-	-	-	(1,520)	(1,520)
Balance at 31 December 2007	25,328	1,297	-	(24)	250	-	57,335	84,186

\* Net income recognised directly to equity

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**CASH FLOW STATEMENT**

	2007	2006
	Lm000	Lm000
<b>Cash flows from operating activities</b>		
Profit for the year	7,159	8,089
Adjustments for:		
Income tax expense	4,696	3,934
Depreciation, amortisation and write-downs	11,431	8,951
Net finance income	(429)	(444)
Share of associate's results	173	43
Write offs and net loss arising on disposal of intangible assets and plant and equipment	666	161
Net increase in provisions and write offs	596	311
Reversal of unclaimed liabilities written back	10	-
Liabilities written back	-	(221)
Impairment loss on goodwill	150	-
Voluntary retirement costs	1,841	3,155
Impairment loss on non-current assets classified as held for sale	717	-
VAT claim refundable	(4,107)	-
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	22,903	23,979
Change in inventories	(4)	(217)
Change in trade and other receivables	(6,253)	1,125
Change in trade and other payables	6,171	1,360
Change in associate's balance	-	14
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Cash generated from operations	22,817	26,261
Interest received (net of withholding tax)	534	250
Interest paid on bank overdrafts	(67)	(12)
Net taxation paid	(1,538)	(3,999)
Payments for voluntary retirement scheme	(2,118)	(2,679)
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<b>Net cash from operating activities</b>	<b>19,628</b>	<b>19,821</b>
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<b>Cash flows from investing activities</b>		
Payments to acquire property, plant and equipment and intangible assets	(7,785)	(7,164)
Payment to acquire property held for sale	-	(22)
Payments to acquire investments	(1,504)	-
Payment to acquire investment in subsidiary	(1,020)	-
Receipts from disposal of property, plant and equipment	-	7
Receipts from disposal and realisation of investments	-	448
Amounts advanced to associate	-	(37)
Investment income received	310	362
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<b>Net cash used in investing activities</b>	<b>(9,999)</b>	<b>(6,406)</b>
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carried forward	9,629	13,415

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**CASH FLOW STATEMENT**

	2007	2006
	Lm000	Lm000
brought forward	9,629	13,415
<b>Cash flow from financing activities</b>		
Loans advanced by bank	4,754	-
Repayments of long-term borrowings	(4,080)	(3,447)
Dividends paid	(6,586)	(6,079)
Loan interest paid	(276)	(306)
<b>Net cash used in financing activities</b>	<b>(6,188)</b>	<b>(9,832)</b>
Net increase in cash and cash equivalents	3,441	3,583
Cash and cash equivalents at 1 January	11,744	8,180
Cash and cash equivalents acquired upon business combination	(519)	-
Effect of exchange rate fluctuations on cash held	(68)	(47)
Movement in cash pledged as guarantees	(26)	28
<b>Cash and cash equivalents at 31 December</b>	<b>14,572</b>	<b>11,744</b>
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# Review of Group Operations

31 December 2007

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## Review of group operations

### Introduction

This Statement is published pursuant to The Malta Financial Service Authority Listing Rule 9.35 and Article 4(2)(b) of the Prevention of Financial Markets Abuse (Disclosure and Notification) Regulations, 2005.

The financial information has been extracted from GO p.l.c.'s audited consolidated financial statements, which have been audited by KPMG, for the year ended 31 December 2007 as approved by the Board of Directors on 27 February 2008. These financial statements will be laid before the members at the general meeting to be held on 11 April 2008.

The Group's financial statements have been prepared in accordance with the Companies Act, 1995 enacted in Malta (the "Act") which requires adherence to International Financial Reporting Standards (IFRSs). Article 4 of Regulation 1606/2002/EC ("the Regulation") requires that, for each financial year starting on or after 1 January 2006, companies governed by the law of an EU Member State shall prepare their consolidated financial statements in conformity with International Financial Reporting Standards (IFRSs) as adopted by the EU if, at their balance sheet date, their securities are admitted to trading on a regulated market of any EU Member State.

The Regulation overrides the provisions of the Act, relating to the form and content of the financial statements (and in particular the Third and Fourth Schedules of the Act) of companies as described above.

EU-endorsed IFRSs may differ from IFRSs as published by the International Accounting Standards Board ('IASB') if, at any point in time, new or amended IFRSs have not been endorsed by the EU. At 31 December 2007, there were no unendorsed standards effective for the year ended 31 December 2007 affecting these consolidated financial statements, and there is no difference between IFRSs as endorsed by the EU and IFRSs as issued by the IASB in terms of their application to the Group.

### Performance

During the year, the Group has recorded a profit before taxation amounting to Lm11.9 million (2006: Lm12.0 million). This represents a return of 14.1% (2006: 14.4%) of the average shareholders' funds and of 10.4% (2006: 10.8%) of the average total assets employed.

Earnings per share for the year amounted to 7c1 (2006: 8c0).

The gross margin for the year amounted to Lm22.3 million (2006: Lm25.6 million), equivalent to 39.3% (2006: 46.1%) of total revenues. Net operating costs excluding voluntary retirement costs and VAT claim refundable amounted to Lm46.4 million (2006: Lm40.7 million) and mainly represent interconnection charges with other operators, labour costs and depreciation. As part of its investment programme, the Group reviewed the estimated useful life of various technology platforms and in certain instances it was determined that a shorter economic useful life better reflected the benefits that would be derived from these assets resulting in an accelerated depreciation charge of Lm2.1 million.

The tax expense for the year amounted to Lm4.7 million (2006: Lm3.9 million).

Following an interim dividend of Lm0.01c5 (2006 Lm0.01c5) net of taxation per share which was declared on 31 October 2007 and paid on 21 November 2007, the Board of Directors is recommending the payment of a final dividend of €0.11c65 equivalent to Lm0.05c0 (2006 Lm0.05c0) net of tax per share for the approval of the shareholders at the next Annual General Meeting to be held on 11 April 2008 which dividend will be payable on 16 April 2008. This net

dividend will be payable to shareholders who will be on the register of shareholders as at 14 March 2008.

## Review of Group Operations

**31 December 2007**

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### **Review of group operations (continued)**

#### **Balance sheet**

Group total assets at balance sheet date stood at Lm115.6 million (2006: *Lm111.8 million*).

The financial statements reflect a prior year adjustment arising from a report drawn up on the Group's immovable property, which has shed doubts over the integrity of title of certain property.

The Group has carried out various developments on and improvements to these properties and management estimates that the cost of these improvements and developments should be amortised over a period of twenty years from the end of 2000. Until the Group determines the precise title over these properties the Group is reversing the revaluation surplus recognised on these properties and recognising the depreciation of the cost of improvements. The effect on balances as at 1 January 2006 and 31 December 2006 are reflected in the audited financial statements.

Receivables, net of impairment loss, amounted to Lm19.3 million (2006: *Lm13.9 million*). Of these, 42.9% (2006: 55.7%) represent invoiced amounts receivable in respect of services rendered and goods sold by the Group. The Group's trade and other payables at the end of the year amounted to Lm19.7 million (2006: *Lm17.6 million*).

Non-current and current bank loans amounted to Lm6.2 million (2006: *Lm5.3 million*). The gearing ratio, that is, the ratio of loan finance to shareholders' equity stood at 7.4% at 31 December 2007 compared with 6.3% at 31 December 2006.

Shareholders' funds amounted to Lm84.2 million (2006: *Lm84.0 million*). They finance 72.8% (2006: 75.2%) of the Group's total assets. The Group's net asset value per share stands at Lm0.831 (2006: *Lm0.829*).

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

Spencer Hill  
Marsa

Tel: (+356) 21233168

27 February 2008