



COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by GO p.l.c. (the "Company") pursuant to Malta Financial Services Authority Listing Rules. This statement is based on the unaudited management accounts of the Company up to 31st March 2012 and other financial information.

Quote

INTERIM DIRECTORS' STATEMENT

The telecommunications market continued to be characterized by intense competition across the various product lines. Whilst the Group maintained its overall client base, it experienced pressure on ARPU levels. Furthermore, mobile also experienced the impact of lower mobile termination rates, the result of regulatory intervention during the second half of 2011. These have resulted in a marginal reduction in overall turnover when compared to Q1 2011. Revenues remain strong across all main product lines and barring unforeseen circumstances are expected to remain so throughout the rest of the year. The Group plans to benefit from increased take up of mobile data services following the roll-out of its new mobile network and from TV services as the Group enhances its premium sports line up with the addition of the Champions League later this year.

Focus on cost optimization remains a key objective of the Group which has experienced various savings on a number of discretionary expense categories. As the Group manages the changeover from its legacy mobile infrastructure to the new network it is negatively impacted from a one-time-only increase in a number of network related expenses. Results are also positively impacted by a decrease in employee related costs encouraging the Group to maintain its efforts to improve processes and to right size its operations. Costs have also been positively impacted by the recovery of a long outstanding debt not directly related to operations.

Profitability during this first quarter is marginally ahead of that registered during the first quarter of the previous year, whilst the Group maintains healthy cash generation.

Earlier this month, GO completed the exchange of the land at Qawra for eleven properties belonging to Government. Efforts are currently underway to transfer a number of these properties to Malta Properties Company Limited and its subsidiary companies, the special purpose vehicle (SPV) established by the Company to manage the Group's property portfolio. Whilst these transfers would complete the administrative process following the setting up of this SPV, management have started to analyse the extent to which, and when, each property can be unencumbered from technology. This will allow the Company the ability to formulate, over the next few years, a strategy for its key properties.

Forthnet is expected to announce Q1 2012 results by the end of the month.

Unquote

Dr. Francis Galea Salomone LL.D.
Company Secretary

25 May 2012

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