



**20 March 2013**

## **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**

The Board of Directors of the Company has approved the attached Preliminary Statement of annual results for the financial year ended 31<sup>st</sup> December 2012. 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 do not recommend the payment of a dividend.

The Board of Directors further resolved to recommend that the Annual General Meeting approves the payment of a final net dividend of € 0.10 net of taxation per share. The payment of this net dividend amounts to the sum of €10.1. The final dividend will be paid on the 10<sup>th</sup> May 2013 to all shareholders who are on the shareholders' register as at Friday 5<sup>th</sup> April 2013.

The Annual General Meeting will be held on Tuesday 7<sup>th</sup> May 2013 at the Malta Hilton, St. Julians.

### **Unquote**

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

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

# GO p.l.c. Preliminary Statement of Group Results and State of Affairs

## For the Year Ended and at 31 December



This Statement is published pursuant to The Malta Financial Services Authority Listing Rules Chapter 5 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 Annual Report and Consolidated Financial Statements for the year ended 31 December 2012 as approved by the Board of Directors on 20 March 2013, which have been audited by PricewaterhouseCoopers. These financial statements will be laid before the members at the general meeting to be held on 7 May 2013.

The Group's financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and the requirements of the Maltese Companies Act, 1995.

### STATEMENTS OF FINANCIAL POSITION

As at 31 December

	The Group		The Company	
	2012	2011	2012	2011
	€000	€000	€000	€000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	138,557	120,789	69,303	79,560
Investment property	1,571	1,140	-	1,140
Intangible assets	21,646	26,347	9,047	11,679
Investments in subsidiaries	-	-	27,233	27,233
Loans receivable from subsidiaries	-	-	49,524	21,796
Loans receivable from jointly-controlled entity	-	3,625	-	3,625
Other investments	-	100	-	100
Deferred tax assets	6,805	5,670	4,398	6,043
Trade and other receivables	1,637	1,018	418	458
<b>Total non-current assets</b>	<b>170,216</b>	<b>158,689</b>	<b>159,923</b>	<b>151,634</b>
<b>Current assets</b>				
Inventories	6,002	8,335	4,495	7,101
Trade and other receivables	32,412	35,314	36,865	37,419
Loans receivable from subsidiaries	-	-	-	720
Current tax assets	2,310	3,393	80	1,865
Cash and cash equivalents	27,243	9,302	23,493	870
<b>Total current assets</b>	<b>67,967</b>	<b>56,344</b>	<b>64,933</b>	<b>47,975</b>
<b>Total assets</b>	<b>238,183</b>	<b>215,033</b>	<b>224,856</b>	<b>199,609</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Share capital	58,998	58,998	58,998	58,998
Reserves	16,529	15,499	5,264	4,849
Retained earnings	26,073	8,863	47,035	28,144
<b>Total equity</b>	<b>101,600</b>	<b>83,360</b>	<b>111,297</b>	<b>91,991</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Borrowings	60,330	66,000	53,500	66,000
Derivative financial instruments	1,283	1,483	1,283	1,483
Deferred tax liabilities	7,752	2,873	-	-
Trade and other payables	2,958	2,450	2,958	2,450
Provisions for pensions	3,116	3,070	3,116	3,070
<b>Total non-current liabilities</b>	<b>75,439</b>	<b>75,876</b>	<b>60,857</b>	<b>73,003</b>
<b>Current liabilities</b>				
Trade and other payables	40,958	49,790	33,892	29,229
Current tax liabilities	358	208	110	-
Borrowings	16,977	3,142	15,849	2,729
Provisions for pensions	2,851	2,657	2,851	2,657
<b>Total current liabilities</b>	<b>61,144</b>	<b>55,797</b>	<b>52,702</b>	<b>34,615</b>
<b>Total liabilities</b>	<b>136,583</b>	<b>131,673</b>	<b>113,559</b>	<b>107,618</b>
<b>Total equity and liabilities</b>	<b>238,183</b>	<b>215,033</b>	<b>224,856</b>	<b>199,609</b>

The financial statements were approved and authorised for issue by the Board of Directors on 20 March 2013 and signed on its behalf by:

  
Mr Deepak Padmanabhan  
Chairman

  
Mr Nikhil Patil  
Director

### INCOME STATEMENTS

For the Year Ended 31 December

	The Group		The Company	
	2012	2011	2012	2011
	€000	€000	€000	€000
Revenue	127,158	131,570	77,975	79,128
Cost of sales	(78,878)	(81,212)	(51,345)	(58,212)
<b>Gross profit</b>	<b>48,280</b>	<b>50,358</b>	<b>26,630</b>	<b>20,916</b>
Administrative and other related expenses	(27,423)	(32,835)	(22,554)	(22,500)
Other income	1,419	1,171	1,400	1,160
Other expenses	(178)	(257)	(91)	(218)
<b>Operating profit/(loss)</b>	<b>22,098</b>	<b>18,437</b>	<b>5,385</b>	<b>(642)</b>
Analysed as follows:				
Operating profit before non-recurring items	22,245	23,650	5,532	4,571
Non-recurring items presented within 'Administrative and other related expenses'	(147)	(5,213)	(147)	(5,213)
<b>Operating profit/(loss) after non-recurring items</b>	<b>22,098</b>	<b>18,437</b>	<b>5,385</b>	<b>(642)</b>
Finance income	517	412	18,396	34,833
Finance costs	(2,666)	(2,763)	(2,515)	(2,745)
Adjustments arising on fair valuation of property	(771)	1,035	(367)	(98)
Gain on disposal of property	11,356	-	11,356	-
Impairment charge on investment in subsidiary	-	-	-	(27)
Impairment charge on available-for-sale financial assets and related charges	(329)	-	(329)	-
Losses attributable to investment in jointly-controlled entity	(3,726)	(62,313)	(3,726)	(65,205)
<b>Profit/(loss) before tax</b>	<b>26,479</b>	<b>(45,192)</b>	<b>28,200</b>	<b>(33,884)</b>
Tax expense	(9,153)	(5,259)	(9,049)	(10,117)
<b>Profit/(loss) for the year</b>	<b>17,326</b>	<b>(50,451)</b>	<b>19,151</b>	<b>(44,001)</b>
<b>Attributable to:</b>				
Owners of the Company	17,326	(50,999)	19,151	(44,001)
Non-controlling interests	-	548	-	-
<b>Profit/(loss) for the year</b>	<b>17,326</b>	<b>(50,451)</b>	<b>19,151</b>	<b>(44,001)</b>
<b>Earnings per share (euro cents)</b>	<b>17c1</b>	<b>(50c3)</b>		

### STATEMENTS OF COMPREHENSIVE INCOME

For the Year Ended 31 December

	The Group		The Company	
	2012	2011	2012	2011
	€000	€000	€000	€000
<b>Profit/(loss) for the year</b>	<b>17,326</b>	<b>(50,451)</b>	<b>19,151</b>	<b>(44,001)</b>
<b>Other comprehensive income:</b>				
Change in fair value of derivative designated as hedging instrument in cash flow hedge	200	(148)	200	(148)
Surplus arising on revaluation of land and buildings	2,546	-	2,142	1,049
Impairment charges in respect of revalued land and buildings	-	(157)	-	-
Available-for-sale financial assets:				
- Losses from changes in fair value	(100)	(503)	(100)	(503)
- Reclassification adjustments - net amounts reclassified to profit or loss upon impairment	100	-	100	-
Income tax relating to components of other comprehensive income	(1,832)	(892)	(2,187)	(73)
<b>Total other comprehensive income for the year, net of tax</b>	<b>914</b>	<b>(1,700)</b>	<b>155</b>	<b>325</b>
<b>Total comprehensive income for the year</b>	<b>18,240</b>	<b>(52,151)</b>	<b>19,306</b>	<b>(43,676)</b>
<b>Attributable to:</b>				
Owners of the Company	18,240	(52,699)	19,306	(43,676)
Non-controlling interests	-	548	-	-
<b>Total comprehensive income for the year</b>	<b>18,240</b>	<b>(52,151)</b>	<b>19,306</b>	<b>(43,676)</b>

# GO p.l.c. Preliminary Statement of Group Results and State of Affairs

## For the Year Ended and at 31 December



### STATEMENTS OF CHANGES IN EQUITY

For the Year Ended 31 December

The Group	Attributable to 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>						
Loss for the year	-	-	(50,999)	(50,999)	548	(50,451)
Other comprehensive income:						
Cash flow hedge, net of deferred tax	-	(96)	-	(96)	-	(96)
Impairment charges in respect of revalued land and buildings	-	(157)	-	(157)	-	(157)
Movements in deferred tax liability on revalued land and buildings determined on the basis applicable to property disposals	-	(944)	-	(944)	-	(944)
Losses from changes in fair value of available-for-sale financial assets	-	(503)	-	(503)	-	(503)
Transfer from retained earnings in relation to insurance contingency reserve	-	116	(116)	-	-	-
Total other comprehensive income	-	(1,584)	(116)	(1,700)	-	(1,700)
<b>Total comprehensive income</b>	-	(1,584)	(51,115)	(52,699)	548	(52,151)
<b>Transactions with owners in their capacity as owners</b>						
Acquisition of non-controlling interests	-	(2,964)	-	(2,964)	(5,939)	(8,903)
Dividends to equity holders	-	-	(5,065)	(5,065)	-	(5,065)
<b>Total transactions with owners</b>	-	(2,964)	(5,065)	(8,029)	(5,939)	(13,968)
<b>Balance at 31 December 2011</b>	<b>58,998</b>	<b>15,499</b>	<b>8,863</b>	<b>83,360</b>	<b>-</b>	<b>83,360</b>
Balance at 1 January 2012	58,998	15,499	8,863	83,360	-	83,360
<b>Comprehensive income</b>						
Profit for the year	-	-	17,326	17,326	-	17,326
Other comprehensive income:						
Cash flow hedge, net of deferred tax	-	130	-	130	-	130
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 property disposals	-	(1,762)	-	(1,762)	-	(1,762)
Available-for-sale financial assets:						
- Losses from changes in fair value	-	(100)	-	(100)	-	(100)
- Reclassification adjustments - net amounts reclassified to profit or loss upon impairment	-	100	-	100	-	100
Transfer from retained earnings in relation to insurance contingency reserve	-	116	(116)	-	-	-
Total other comprehensive income	-	1,030	(116)	914	-	914
<b>Total comprehensive income</b>	-	1,030	17,210	18,240	-	18,240
<b>Balance at 31 December 2012</b>	<b>58,998</b>	<b>16,529</b>	<b>26,073</b>	<b>101,600</b>	<b>-</b>	<b>101,600</b>

### The Company

	Share capital €000	Reserves €000	Retained earnings €000	Total equity €000
Balance at 1 January 2011	58,998	4,408	77,326	140,732
<b>Comprehensive income</b>				
Loss for the year	-	-	(44,001)	(44,001)
Other comprehensive income:				
Cash flow hedge, net of deferred tax	-	(96)	-	(96)
Surplus arising on revaluation of land and buildings	-	1,049	-	1,049
Movement in deferred tax liability on revalued land and buildings determined on the basis applicable to property disposals	-	(125)	-	(125)
Transfer of surplus upon realisation through disposal of revalued land and buildings	-	(530)	-	(530)
Deferred tax on realisation of surplus through disposal of revalued land and buildings	-	530	-	530
Losses from changes in fair value of available-for-sale financial assets	-	(503)	-	(503)
Transfer from retained earnings in relation to insurance contingency reserve	-	116	(116)	-
Total other comprehensive income	-	441	(116)	325
<b>Total comprehensive income</b>	-	441	(44,117)	(43,676)
<b>Transactions with owners in their capacity as owners</b>				
Dividends to equity holders	-	-	(5,065)	(5,065)
<b>Total transactions with owners</b>	-	-	(5,065)	(5,065)
<b>Balance at 31 December 2011</b>	<b>58,998</b>	<b>4,849</b>	<b>28,144</b>	<b>91,991</b>
Balance at 1 January 2012	58,998	4,849	28,144	91,991
<b>Comprehensive income</b>				
Profit for the year	-	-	19,151	19,151
Other comprehensive income:				
Cash flow hedge, net of deferred tax	-	130	-	130
Surplus arising on revaluation of land and buildings	-	2,142	-	2,142
Movement in deferred tax liability on revalued land and buildings determined on the basis applicable to property disposals	-	(2,117)	-	(2,117)
Transfer of surplus upon realisation through disposal of revalued land and buildings	-	(2,325)	2,325	-
Deferred tax on realisation of surplus through disposal of revalued land and buildings	-	2,469	(2,469)	-
Available-for-sale financial assets:				
- Losses from changes in fair value	-	(100)	-	(100)
- Reclassification adjustments - net amounts reclassified to profit or loss upon impairment	-	100	-	100
Transfer from retained earnings in relation to insurance contingency reserve	-	116	(116)	-
Total other comprehensive income	-	415	(260)	155
<b>Total comprehensive income</b>	-	415	18,891	19,306
<b>Balance at 31 December 2012</b>	<b>58,998</b>	<b>5,264</b>	<b>47,035</b>	<b>111,297</b>

# GO p.l.c. Preliminary Statement of Group Results and State of Affairs

## For the Year Ended and at 31 December



### STATEMENTS OF CASH FLOWS

For the Year Ended 31 December

	The Group		The Company	
	2012	2011	2012	2011
	€000	€000	€000	€000
<b>Cash flows from operating activities</b>				
Cash generated from operations	47,457	49,575	57,557	32,167
Interest received	120	109	96	40
Interest paid on bank overdrafts	(136)	(82)	(18)	(67)
Tax paid	(7,992)	(9,182)	(1,680)	(66)
Tax refund received	2,034	-	2,034	-
Payments under voluntary retirement scheme	(1,461)	(2,208)	(1,461)	(2,208)
Payments in relation to pension obligations	(23)	(3,086)	(23)	(3,086)
<b>Net cash from operating activities</b>	<b>39,999</b>	<b>35,126</b>	<b>56,505</b>	<b>26,780</b>
<b>Cash flows from investing activities</b>				
Payments to acquire property, plant and equipment and intangible assets	(27,598)	(17,772)	(16,459)	(14,466)
Payment to acquire non-controlling interests in subsidiary	-	(8,159)	-	-
Dividends received	-	-	11,600	14,400
Advances to jointly-controlled entity	-	(322)	-	-
Repayments received in relation to advances to jointly-controlled entity	-	694	3	372
Advances to subsidiaries	-	-	(27,728)	(16,197)
Repayments received in relation to advances to subsidiaries	-	-	720	-
<b>Net cash used in investing activities</b>	<b>(27,598)</b>	<b>(25,559)</b>	<b>(31,864)</b>	<b>(15,891)</b>
<b>Cash flows from financing activities</b>				
Repayments of bank loans	(2,000)	(2,000)	(2,000)	(2,000)
Proceeds from bank loans	7,852	-	-	-
Dividends paid	-	(5,068)	-	(5,068)
Loan interest paid	(2,579)	(2,623)	(2,579)	(2,623)
<b>Net cash from/(used in) financing activities</b>	<b>3,273</b>	<b>(9,691)</b>	<b>(4,579)</b>	<b>(9,691)</b>
<b>Net movements in cash and cash equivalents</b>	<b>15,674</b>	<b>(124)</b>	<b>20,062</b>	<b>1,198</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>7,320</b>	<b>8,109</b>	<b>14</b>	<b>(1,133)</b>
Exchange differences on cash and cash equivalents	(47)	81	(59)	30
Movement in cash pledged as guarantees	(1,061)	(746)	(1,063)	(81)
<b>Cash and cash equivalents at end of year</b>	<b>21,886</b>	<b>7,320</b>	<b>18,954</b>	<b>14</b>

### REVIEW OF GROUP OPERATIONS

The Board of Directors is recommending that the Annual General Meeting approves the payment of a final net dividend of €0.10 net of taxation per share. The payment of this net dividend amounts to the sum of €10.1 million. The final dividend will be paid on the 10 May 2013 to all shareholders who are on the shareholders register as at Friday 5 April 2013.

#### Performance

The telecommunications sector continues to be characterised by significant competition and extensive regulation both locally as well as at a European level. As the markets show clear signs of saturation, operators pursue growth by venturing into products and services traditionally not theirs. These strategies continue to result in significant price pressures to retain clients whilst new business is often secured at significantly discounted rates. In addition, regulation is also aimed at supporting this competitive environment and the annual reductions in mobile termination rates continue to negatively impact the Group's mobile operations.

Within this tough competitive environment and challenging macro-economic climate GO retains a strong presence in the local market across all product lines and remains the leading telecommunications service provider. GO provides the most extensive product range and enjoys the largest customer base through almost 500,000 customer connections.

Group revenue amounted to €127.2 million and represents a reduction of 3.4% over the prior year. The reduction is the result of a combination of lower retail activity and the impact of regulation, substantially lower mobile termination rates.

Cost of sales, administrative and related costs, excluding non-recurring items, amounted to €104.6 million (2011: €108.8 million). Whilst various costs directly related to growth areas of broadband and TV experienced an increase, GO also benefitted from lower costs to terminate calls on third party networks and achieved reduction in most cost categories that result from on-going operations ranging from payroll to most administrative costs. Overall GO experienced a reduction of 3.9% in its cost base.

2011 performance was negatively impacted as the Company impaired its investment in Forthnet S.A. by €62.3 million following a change in the way GO values this investment from a valuation based on a value in use assessment to a valuation which reflects the share price of Forthnet S.A. as quoted on the Athens Stock Exchange. Furthermore, subsequent to 31 December 2011 Forthnet registered further significant consolidated losses as the entity continued to experience adverse trading conditions also as a result of the uncertain economic and market conditions prevailing in Greece. Accordingly, further impairment losses during the current year amounting to €3.7 million were reflected such that the carrying amount of the remaining exposures to Forgado was adjusted downwards to nil.

In 2012 GO is reporting a profit before tax of €26.5 million as against a loss of €45.2 million in 2011. Whilst 2011 was negatively impacted by a significant impairment of GO's investment in Forthnet S.A. and by a number of one-time only charges, 2012 results were positively impacted by a gain of €11.4 million following the sale of a piece of land at Qawra. Normalised operating profit of GO for the year ended 31 December 2012 is €22.2 million (2011: €23.7 million) whilst normalised EBITDA amounted to €51.3 million (2011: €51.4 million).

The profit per share amounted to €0.171 as against a loss per share of €0.503 in 2011.

Net cash generated from operations amounted to €40.0 million (2011: €35.1 million). Both years include one-time items relating to pensions and voluntary retirement costs whilst 2012 includes a refund of tax relating to prior periods. Normalised cash flow from operations for 2012 amounted to €39.5 million, marginally below the €40.4 million generated in 2011. In 2012, the Group's investments implied a cash outflow of €27.6 million, an increase of €2.0 million over the comparative year. Besides maintaining a significant level of investment in its technical infrastructure, during the year the Group also completed a transaction with Government through which it consolidated its ownership of various key properties.

#### Financial position

Shareholders' funds increased from €83.4 million as at December 2011 to €101.6 million as at end 2012. The increase is due to another year of solid operating performance and the one-off upside that resulted from the sale of land at Qawra. The Group's net asset value per share stands at €1.00 (2011: €0.82).

The Group's total asset base stands at €238.2 million, an increase of €23.2 million. Significant contributors to this increase are property and cash holdings. As at the end of the reporting period, the Group holds a property portfolio of €54.3 million.

The Group's current assets amounted to €68.0 million (2011: €56.3 million) and are mainly represented by receivables of €32.4 million (2011: €35.3 million) and cash of €27.2 million (2011: €9.3 million). The increase in cash is the result of a robust operational performance and deemed to be significant when considering the extent to which the Group continues to fund its investment programme from internal resources. Current liabilities amounted to €61.1 million (2011: €55.8 million). The increase over the prior year is substantially due to borrowings which fall due for repayment in the short term.