



## COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by GO p.l.c. (“GO”) pursuant to Malta Financial Services Authority Listing Rules. This statement is based on the unaudited management accounts of GO up to 31<sup>st</sup> March 2015 and other financial information.

### Quote

#### INTERIM DIRECTORS’ STATEMENT

Earlier this year, GO plc announced the financial results for the year ended 31<sup>st</sup> December 2014, showing an improved performance over the previous year. The Board of Directors notes that, despite a challenging competitive environment, GO continues to achieve healthy levels of profitability.

The telecommunications industry continues to evolve rapidly, as customers shift away from traditional voice services towards data and media applications accessed through various devices, using different technologies, anytime, anywhere. Furthermore, the market is saturated, leading to intense competition between operators trying to grow by acquiring customers from competition. As operators target customers aggressively with value propositions, there is significant price erosion resulting in lower levels of average revenue per unit (ARPU). This situation is leading to fairly stable market shares, but with lower revenue, for all operators.

Against this backdrop, GO leverages its robust financial position to invest in future technologies that will allow it to differentiate its retail offerings through innovative services, superior quality and an enhanced customer experience. GO’s recent announcements of strategic investments in fourth generation (4G) technology and in a €50 million Fibre-to-the-Home network, over the medium term, are a clear statement of GO’s commitment to the future of this market.

Despite challenges at the revenue level caused by retail pressure and adverse regulatory intervention, GO continues to maintain healthy profitability levels thanks to on-going efforts to reduce costs and improve processes. The new investments will eventually lead to new networks and further improved processes which will, in turn, deliver further reductions in operating costs and increase GO’s ability to upsell clients to improved broadband speeds, an enhanced TV experience and richer content. Through this strategy, GO aims to retain its position as the leading provider of telecommunication services in Malta.

It was satisfying to note that in spite of a highly competitive environment, GO not only retained its clients base with respect to traditional, fixed line, telephony, but also increased its market share in other product areas. The positive momentum experienced throughout most of 2014 has, so far, been sustained in the first quarter of 2015.

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In pursuing its long-term growth strategy, GO also remains focused on its international investment initiatives.

Together with its immediate parent, Emirates International Telecommunications (Malta) Limited (EITML), GO is monitoring developments in Greece, and at Forthnet in particular, and will evaluate any potential binding offers.

During last year GO finalized the acquisition of a minority shareholding in Cablenet Communication Systems Limited, a cable company based in Cyprus. Cablenet continues to achieve growth in terms of subscribers and profitability, in line with projections. As the economic environment in Cyprus continues to improve, GO is confident that this investment should continue to perform in terms of both market share and levels of profitability.

**Unquote**

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

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

**29 April 2015**