COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by GO p.l.c. ("**the Company**") pursuant to the Listing Rules as issued by the Listing Authority.

Quote

In a meeting held earlier today 10 August 2018, the Board of Directors of the Company approved the attached Group Interim Unaudited Financial Statements for the six-month period ended 30 June 2018.

The Interim Financial Statements are also available for viewing on the Company's website www.go.com.mt

Unquote

Dr. Francis Galea Salomone LL.D.
Company Secretary

10 August 2018

GO p.l.c.

Condensed Consolidated Interim Financial Statements

For the Period 1 January 2018 to 30 June 2018

Company Registration Number: C 22334

GO p.l.c.

Condensed Consolidated Interim Financial Statements

For the period 1 January 2018 to 30 June 2018

Contents

GO p.l.c.

Directors' Report pursuant to Listing Rule 5.75.2
For the period 1 January 2018 to 30 June 2018

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 2018 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 2017.

Principal activities
The Group is Malta's leading integrated telecommunications services provider and its high speed networks form the backbone of the island's modern communications infrastructure. The services provided by the Group include fixed-line and mobile telephony, data and TV services for both personal customers and business clients. The Group also provides business clients with data centre facilities and ICT solutions.

The Group also operates in Cyprus through its 51% shareholding in Cablenet Communication Systems Limited ("Cablenet") which provides broadband, cable TV and telephony services to personal and business clients.

Review of financial performance
Throughout the first six months of 2018, GO Group registered an improved level of performance to that recorded in the comparative period. The market environment within which the Group operates remains a challenging one and the differentiating factor going forward is focusing more on improving the experience we deliver to our customers. This complements the Group's growth strategy including initiatives aimed at improving the customer experience, strengthening all lines of revenue and controlling costs to continue this performance trajectory.

During the period under review, the Group increased its revenues by €3.3 million, closing at €84.3 million compared to €81.0 million at end June 2017. This increase, together with the improvement in gross profit margin contributed to an augmented level of profitability. Reported earnings before interest, tax, depreciation and amortisation ('EBITDA') totalled €32.8 million (Jun 17: €32.6 million) – a marginal uplift of €0.3 million whereas operating profit grew from €14.6 million at end June 2017 to €16.0 million at end of current reporting period.

The Group will maintain the strategic investment programme to continue driving revenue growth both in Malta as well as Cyprus be it network related as well as support solutions, processes and media content. Thanks to such investments, the customer experience is constantly enhanced.

The Group's drive of Fibre-to-the-Home ("FTTH") rollout is also leading to an increase in GO's Broadband base, as the reach of FTTH extends to additional towns and villages which now exceeds 75,000 homes passed. GO continues to enjoy a solid customer base of fixed-voice connections. Moreover GO, which has Malta's only fibre connected network, is the only mobile network provider with 4.5G nationwide coverage. This was possible credit to the significant investments that GO has made in its mobile network over the recent years. This enables GO's mobile customers to enjoy the fastest mobile network. The enhanced customer experience is leading to a larger mobile customer base and growth in usage of mobile data, both of which are driving overall growth in retail revenue. The Group's ongoing investments in networks and technology are matched by ongoing

Review of financial performance - continued
improvement in GO's product portfolio and a passion to serve customers better. Through these initiatives, GO continues to strengthen its position in the retail market with an overall client base now representing more than 530,000 connections across the main retail products, a significant portion of which represent bundled services.

The Group's subsidiary, Cablenet continued to expand its network thus enhancing its resiliency. The level of investment will continue to be stepped up in the years ahead. It is encouraging to note more customers going for Cablenet as their preferred service provider with a customer base growing by more than 7% when compared to June 2017, now exceeding 62,000 subscribers. Such sustained growth in both markets encourages the Group to persevere with its parallel investment programme in Malta and Cyprus.

Cost of sales and administration costs amounted to €68.9 million, an increase of €1.9 million over the comparative period. This increase in costs is the result of the increase in sales activity which has driven up the cost of goods sold.

The Group is reporting a profit before tax of €15.3 million, 13% increase on the €13.5 million profit recorded at end of the comparative period.

Cash generation from operations remains strong across the entire Group and during the period under review amounted to €24.8 million. The €2.7 million reduction over the comparative period is due to working capital movements. The continued strong cash generation from operations enabled the Group to fund investments of €17.4 million (2017: €15.5 million), €1.9 million of which relates to GO exercising its option to acquire the remaining 49% of the issued share capital of Kinetix IT Solutions Limited ('Kinetix'). As a result of this acquisition, GO became the sole shareholder of Kinetix.

Effective 1 January 2018, GO adopted IFRS 9 'Financial Instruments'. The impact of this new standard reduced net assets by €1.6 million. GO was not required to restate comparative periods. Accordingly, all adjustments resulting from the transition, were reflected by adjusting the opening statement of financial position as at 1 January 2018. During the period under review, GO's provision for trade receivable reduced by €1 million. The movement would have been €0.05 million lower under the previous IAS 39 standard.

During 2018, GO adopted the new IFRS 15 "Revenue from Contract Customers", the impact of this standard increased the Group net assets by €0.6 million. GO was not required to restate comparative periods, and therefore all adjustments resulting from the transition were done through the opening statement of financial position as at 1 January 2018.

The Group continues to enjoy a healthy financial position. As at 30 June 2018 the Group had a total asset base of €244.1 million which is 44.8% funded through equity. During the first six months of 2018 borrowings net of cash holdings increased from €54.2 million as at 31 December 2017 to €61.5 million as at 30 June 2018.

Commentary on performance
These results validate GO's focused strategy of growing its telecommunications business in the markets where it operates, as it delivers value to clients, employees and shareholders with growth in revenue, profitability and customer connections both in Malta as well as in Cyprus.

Commentary on performance - continued
In Malta the Group benefits from having embarked on a clear strategy focused on enhancing customer experience and driving efficiency across its various operations. Significant investments have been made to improve access to the internet and data services in general. GO has invested in what is undeniably Malta's only fibre connected 4.5G network offering nationwide coverage and also through ongoing investments in FTTH, through which GO is extending fibre to additional towns and villages. This unwavering commitment, being implemented over a number of years, aims to deliver an unparalleled quality of service, seamlessly over mobile and fixed-line technologies, to GO's clients.

In the Business segment, GO remains the undisputed leader in providing total communications solutions. The infrastructure with which GO services the business community is unmatched in terms of the capabilities, resiliency and redundancy provided. Through its investment in Kinetix and the investment in a new state of the art data centre currently underway, GO strives to enhance its capabilities to better serve its extensive base of business clients.

Cablenet is a growing company and a challenger in the Cypriot telecommunications market, offering a robust network infrastructure, attractive commercial propositions and a focus on providing an unparalleled customer experience. Cablenet continues to make significant investments aimed at improving resiliency, increasing international capacity and enhancing the reach of its network to additional towns and suburbs. As a result of these investments, Cablenet is growing its customer base, revenue and profitability and this augurs well for further growth in the future.

As a result of this focused strategy, in spite of significant and intense competition and shrinking profitability in the telecommunications industry, GO Group continues to outperform the sector, increase its total customer connections and achieve improved levels of profitability. The Group remains grateful for the confidence and trust that its customers continue to place in its product portfolio.

Related party transactions
During the period under review, the Group acquired services amounting to €0.03 million from entities ultimately controlled by Société Nationale des Télécommuncations (Tunise Telecom), the intermediate parent company and €1.5 million from other related entities. Dividends paid to the parent company amounted to €8.6 million.

Dividends
The Board of Directors has resolved to determine the extent of dividend distribution for 2018 on the basis of the full results for the year. Accordingly, no dividends are being declared upon issue of the results for the six-month period ended 30 June 2018.

Approved by the Board of Directors on 10 August 2018 and signed on its behalf by

Mohamed Fadhel Kraiem
Chairman

Paul Testaferrata Moroni Viani
Director

GO p.l.c.
Condensed Consolidated Interim Financial Statements

Statement of financial position

As at 30 June 2018

	Note	**As at 30 Jun 2018 Unaudited**	As at 31 Dec 2017 Audited
		€000	€000
ASSETS			
Non-current assets			
Property, plant and equipment	6	**127,097**	129,183
Intangible assets		**59,686**	62,305
Investment in associate		**18**	18
Deferred tax assets		**2,371**	2,315
Trade and other receivables		**2,394**	2,005
Total non-current assets		**191,566**	195,826
Current assets			
Inventories		**8,765**	8,340
Trade and other receivables		**35,555**	33,888
Current tax assets		**40**	41
Cash and cash equivalents		**8,149**	13,722
Total current assets		**52,509**	55,991
Total assets		**244,075**	251,817
EQUITY AND LIABILITIES			
EQUITY			
Share capital		**58,998**	58,998
Reserves		**(2,302)**	616
Retained earnings		**44,712**	47,273
Total equity attributable to equity holders of the Company		**101,408**	106,887
Non-controlling interests		**7,902**	8,224
Total equity		**109,310**	115,111

Statement of financial position

As at 30 June 2018

	Note	**As at 30 Jun 18 Unaudited €000**	As at 31 Dec 17 Audited €000
LIABILITIES			
Non-current liabilities			
Borrowings		**44,033**	46,910
Deferred tax liabilities		**2,772**	2,716
Provisions for pensions	9	**2,889**	2,992
Trade and other payables		**390**	320
Total non-current liabilities		**50,084**	52,938
Current liabilities			
Borrowings		**25,665**	21,009
Provisions for pensions	9	**3,474**	3,340
Trade and other payables		**50,994**	58,202
Current tax liabilities		**4,548**	1,217
Total current liabilities		**84,681**	83,768
Total liabilities		**134,765**	136,706
Total equity and liabilities		**244,075**	251,817

The notes on pages 12 to 26 are an integral part of these condensed consolidated interim financial statements.

The condensed consolidated interim financial statements set out on pages 4 to 26 were approved by the Board of Directors on 10 August 2018 and were signed on its behalf by:

Mohammed Fadhel Kraiem
Chairman

Paul Testaferrata Moroni Viani
Director

GO p.l.c.

Condensed Consolidated Interim Financial Statements

Income statement
For the period 1 January 2018 to 30 June 2018

	Six months ended 30 Jun 2018 Unaudited €000	Six months ended 30 Jun 2017 Unaudited €000
Revenue	**84,295**	80,986
Cost of sales	**(49,026)**	(48,185)
Gross profit	**35,269**	32,801
Administrative and other related expenses	**(19,876)**	(18,806)
Other income	**632**	615
Operating profit	**16,025**	14,610
Analysed as follows:		
EBITDA	**32,856**	32,578
Depreciation and amortisation	**(16,831)**	(17,968)
Operating profit	**16,025**	14,610
Finance income	**171**	170
Finance costs	**(890)**	(1,257)
Profit before tax	**15,306**	13,523
Tax expense	**(4,928)**	(4,646)
Profit for the period	**10,378**	8,877
Attributable to:		
Owners of the Company	**9,810**	8,125
Non-controlling interests	**568**	752
Profit for the period	**10,378**	8,877
Earnings per share (euro cents)	**9c7**	8c8

The notes on pages 12 to 26 are an integral part of these condensed consolidated interim financial statements.

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Condensed Consolidated Interim Financial Statements

Statement of comprehensive income
For the period 1 January 2018 to 30 June 2018

	Six months ended 30 Jun 2018	Six months ended 30 Jun 2017
	€000	€000
Comprehensive income		
Profit for the period	**10,378**	8,877
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit obligations	**(66)**	-
Income tax relating to components of other comprehensive income:		
- Remeasurements of defined benefit obligations	**23**	-
Total other comprehensive income for the period, net of tax	**(43)**	-
Total comprehensive income for the period	**10,335**	8,877
Attributable to:		
Owners of the Company	**9,767**	8,125
Non-controlling interests	**568**	752
Total other comprehensive income for the period	**10,335**	8,877

The notes on pages 12 to 26 are an integral part of these condensed consolidated interim financial statements.

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Condensed Consolidated Interim Financial Statements

Statement of changes in equity
For the period 1 January 2018 to 30 June 2018

Unaudited	Share capital €000	Reserves €000	Retained earnings €000	Total €000	Non-controlling interests €000	Total equity €000
Balance at 1 January 2017	58,998	266	41,839	101,103	8,099	109,202
Comprehensive income						
Profit for the period	-	-	8,125	8,125	752	8,877
Transactions with owners in their capacity as owners						
Distributions to owners:						
Dividends to equity holders	-	-	(11,144)	(11,144)	-	(11,144)
Balance at 30 June 2017	**58,998**	**266**	**38,820**	**98,084**	**8,851**	**106,935**

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Condensed Consolidated Interim Financial Statements

Statement of changes in equity
For the period 1 January 2018 to 30 June 2018

Unaudited	Share capital €000	Reserves €000	Retained earnings €000	Total €000	Non-controlling interests €000	Total equity €000
Balance at 1 January 2018 – as originally reported	58,998	616	47,273	106,887	8,224	115,111
Impact of changes in accounting policies						
- Adjustments on adoption of IFRS 15	-	-	553	553	-	553
- Adjustments on adoption of IFRS 9	-	-	(1,496)	(1,496)	(151)	(1,647)
Balance at 1 January 2018 – as restated	58,998	616	46,330	105,944	8,073	114,017
Comprehensive income						
Profit for the period	-	-	9,810	9,810	568	10,378
Other comprehensive income						
Remeasurement of defined benefit obligations, net of deferred tax	-	(43)	-	(43)	-	(43)
Realisation of Insurance contingency reserve - transfer to retained earnings	-	(1,742)	1,742	-	-	-
Total other comprehensive income	-	(1,785)	1,742	(43)	-	(43)
Total comprehensive income	-	(1,785)	11,552	9,767	568	10,335
Transactions with owners in their capacity as owners						
Distributions to owners:						
Dividends to equity holders	-	-	(13,170)	(13,170)	-	(13,170)
Changes in ownership interest that do not result in loss of control:						
Acquisition of non-controlling interest	-	(1,133)	-	(1,133)	(739)	(1,872)
Total transactions with owners	-	(1,133)	(13,170)	(14,303)	(739)	(15,042)
Balance at 30 June 2018	**58,998**	**(2,302)**	**44,712**	**101,408**	**7,902**	**109,310**

The notes on pages 12 to 26 are an integral part of these condensed consolidated interim financial statements.

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Condensed Consolidated Interim Financial Statements

Statement of cash flows
For the period 1 January 2018 to 30 June 2018

	Six months ended	Six months ended
	30 Jun 2018	30 Jun 2017
	Unaudited	Unaudited
	€000	€000
Cash flows from operating activities		
Operating profit	**16,075**	14,610
Adjustments for:		
Depreciation and amortisation	**16,831**	17,968
Net (decrease)/increase in provisions and write-downs in relation to receivables and inventories	**(408)**	575
Provisions for pensions	**6**	6
	32,504	33,159
Changes in working capital:		
Inventories	**(490)**	(182)
Trade and other receivables	**416**	(967)
Trade and other payables	**(6,225)**	(3,416)
Cash generated from operations	**26,205**	28,594
Interest received	**1**	-
Interest paid on bank overdrafts	**(15)**	(23)
Tax paid	**(1,328)**	(452)
Payments under voluntary retirement scheme	**-**	(601)
Payments in relation to pension obligations	**(50)**	(50)
Net cash generated from operating activities	**24,813**	27,468

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Statement of cash flows
For the period 1 January 2018 to 30 June 2018

	Six months ended 30 Jun 2018 Unaudited €000	Six months ended 30 Jun 2017 Unaudited €000
Cash flows from investing activities		
Payments to acquire property, plant and equipment and intangible assets	**(15,569)**	(15,530)
Payments for acquisition of non-controlling interest in subsidiary	**(1,872)**	-
Net cash used in investing activities	**(17,441)**	(15,530)
Cash flows from financing activities		
Repayment of bank and other loans	**(7,455)**	(11,096)
Proceeds from bank and other loans	**6,000**	10,000
Dividends paid	**(13,673)**	(3,733)
Loan interest paid	**(1,001)**	(1,067)
Net cash used in financing activities	**(16,129)**	(5,896)
Net movements in cash and cash equivalents	**(8,757)**	6,042
Cash and cash equivalents at beginning of period	**6,013**	3,462
Exchange differences on cash and cash equivalents	**(4)**	(10)
Movement in cash pledged as guarantees	**8**	36
Cash and cash equivalents at end of period	**(2,740)**	9,530

The notes on pages 12 to 26 are an integral part of these condensed consolidated interim financial statements.

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 2018 and for the six-month period then ended comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is Malta's leading integrated telecommunications services provider and its high speed networks form the backbone of the island's modern communications infrastructure. The services provided by the Group include fixed-line and mobile telephony, data and TV services for consumers and business clients. The Group also provides business clients with data centre facilities and ICT solutions.

The Group also operates in Cyprus through Cablenet Communication Systems Limited ("Cablenet") which provides broadband, cable TV and telephony services to consumers and business clients.

The Company also has an interest in an associate, Forthnet S.A. registered in Greece, which provides fixed-line telephony, broadband and satellite TV services in Greece.

The consolidated financial statements of the Group as at and for the year ended 31 December 2017 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.

This condensed consolidated interim financial information was approved for issue by the Board of Directors on 8 August 2018.

The condensed consolidated interim financial information has been reviewed in accordance with the requirements of ISRE 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'.

2 Basis of preparation

The condensed consolidated interim financial information as at and for the six-month period ended 30 June 2018 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 2017, which have been prepared in accordance with IFRSs as adopted by the EU.

(a) New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period and the Group had to change its accounting policies and make retrospective adjustments as a result of adopting the following standards:

- IFRS 9 Financial Instruments, and
- IFRS 15 Revenue from Contracts with Customers.

The impact of the adoption of these standards and the new accounting policies are disclosed in Note 3 below. The other standards did not have any impact on the Group's accounting policies and did not require retrospective adjustments.

2 Basis of preparation - continued

(b) Impact of standards issued but not yet applied by the Group

IFRS 16 Leases was issued in January 2016. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not change significantly.

The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of €46 million. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under IFRS 16.

The standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. The Group does not intend to adopt the standard before its effective date.

(c) *Financial position of the Group*

As at 30 June 2018, the Group's current liabilities exceeded its current assets by €32.2 million (2017: €27.8 million). The Group envisages that a significant level of earnings will be generated throughout the forthcoming financial period, through its cash generating units, which will enable the Group to manage effectively its forecasted cash flows and liquidity needs. The Group has unutilised banking facilities which are considered in the context of the Group's liquidity management programme. These factors are embedded within the Group's cash flow forecasts.

3 Changes in accounting policies

This note explains the impact of the adoption of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers on the Group's financial statements and also discloses the new accounting policies that have been applied from 1 January 2018, where they are different to those applied in prior periods.

(a) Impact on the financial statements

As a result of the changes in the Group's accounting policies and as explained in Note 3(b) and Note 3(d) below, IFRS 9 and IFRS 15 were adopted without restating comparative information. The reclassifications and the adjustments arising from the new rules are therefore not reflected in the statement of financial position as at 31 December 2017, but are recognised in the opening statement of financial position on 1 January 2018.

3 Changes in accounting policies - continued

The following tables show the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided. The adjustments are explained in more detail by standard below, ignoring deferred tax impacts at the rate of 35% as at 1 January 2018.

	1 Jan 2018 Based on 31 Dec 2017 as originally reported	IFRS 9	IFRS 15	1 Jan 2018 Restated
Statement of financial position (extract)	€000	€000	€000	€000
ASSETS				
Non-current assets				
Trade and other receivables	2,005	-	245	2,250
Total non-current assets	195,826	-	245	196,071
Current assets				
Trade and other receivables	33,888	(1,647)	833	33,074
Total current assets	55,991	(1,647)	833	55,177
Total assets	251,817	(1,647)	1,078	251,248
EQUITY AND LIABILITIES				
EQUITY				
Retained earnings	47,273	(1,496)	553	46,330
Total capital and reserves attributable to owners of the Company	106,887	(1,496)	553	105,944
Non-controlling interests	8,224	(151)	-	8,073
Total equity	115,111	(1,647)	553	114,017

3 Changes in accounting policies - continued

	1 Jan 2018 based on 31 Dec 2017 as originally reported	IFRS 9	IFRS 15	1 Jan 2018 Restated
	€000	€000	€000	€000
LIABILITIES				
Non-current liabilities				
Trade and other payables	320	-	390	710
Total non-current liabilities	52,938	-	390	53,328
Current liabilities				
Trade and other payables	58,202	-	135	58,337
Total current liabilities	83,768	-	135	83,903
Total liabilities	136,706	-	525	137,231
Total equity and liabilities	251,817	(1,647)	1,078	251,248

(b) IFRS 9 Financial Instruments - impact of adoption

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9 Financial Instruments from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are set out in Note 3(c) below. In accordance with the transitional provisions in IFRS 9, comparative figures have not been restated.

3 Changes in accounting policies - continued

The total impact on the Group's retained earnings as at 1 January 2018 is as follows:

	1 Jan 2018
	€000
Retained earnings as originally stated	47,273
Increase in impairment allowances on trade receivables	(1,647)
Attributable to non-controlling interests	151
Adjustment to retained earnings upon adoption of IFRS 9	(1,496)
Retained earnings as restated	45,777

(i) Classification and measurement

On 1 January 2018 (the date of initial application of IFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate IFRS 9 categories. The main effect resulting from this classification comprised the reclassification of Other investments from available-for-sale financial assets to fair value through profit or loss financial assets. This reclassification had no impact on the Group's equity as the investments have had a nil carrying amount for a number of financial years.

(ii) Impairment of financial assets

The Group has two types of financial assets that are subject to IFRS 9's new expected credit loss model:
- trade receivables for sales of services;
- contract assets relating to service contracts.

The Group was required to revise its impairment methodology under IFRS 9 for each of these classes of assets. The impact of the change in impairment methodology on the Group's retained earnings and equity is disclosed in the table in Note 3(b) above.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified expected credit loss was immaterial.

<u>Trade receivables and contract assets</u>

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

3 Changes in accounting policies - continued

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The loss allowance as at 1 January 2018 was determined as follows for both trade receivables and contract assets:

As at 1 January 2018	+ 30 days past due	+ 60 days past due	+ 90 days past due	+ 120 days past due	Total
Expected loss rate	2%	5%	15%	69%	
Gross carrying amount (€000)	7,766	3,234	2,013	13,472	26,485
Loss allowance - provision (€000)	155	162	303	9,334	9,954

	€000
As at 31 December 2017 – utilising IAS 39 principles	8,307
Amounts reflected through restatement of opening retained earnings and opening non-controlling interests	1,647
Opening impairment loss allowance as at 1 January 2018 – utilising IFRS 9 principles	9,954

The impairment loss allowances decreased by €1.04 million for trade receivables and contract assets during the six month period to 30 June 2018. Under the incurred loss model of IAS 39, the movement in impairment loss allowances for trade receivables would have been a reduction of €0.05 million during the six month period.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments such that receivables are more than 120 days past due.

(c) IFRS 9 Financial Instruments – Accounting policies applied from 1 January 2018

(i) Investments and other financial assets

Classification

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- those to be measured at amortised cost.

3 Changes in accounting policies - continued

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment allowances are presented as separate line item in the statement of profit or loss.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

3 Changes in accounting policies - continued

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

From 1 January 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(d) IFRS 15 Revenue from Contracts with Customers – Impact of adoption

The Group has adopted IFRS 15 Revenue from Contracts with Customers from 1 January 2018 which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with the transition provisions in IFRS 15, the Group has adopted the new rules without restating comparative information. The reclassifications and the adjustments arising from the new impairment rules are therefore not reflected in the statement of financial position as at 31 December 2017, but are recognised in the opening statement of financial position on 1 January 2018.

	IAS 18 carrying amount * 1 Jan 2018 €000	Remeasurement €000	IFRS 15 carrying amount 1 Jan 2018 €000
Trade receivables			
Current contract assets	33,888	833	34,721
Non-current contract assets	2,005	245	2,250
Trade and other payables	-	(525)	(525)

* The amounts in this column are before the adjustments from the adoption of IFRS 9.

3 Changes in accounting policies - continued

The total impact on the Group's retained earnings, restated by the impact of IFRS 9, as at 1 January 2018 is as follows:

	1 Jan 2018 Restated €000
Retained earnings restated upon adoption of IFRS 9	45,777
Increase in contract assets	1,078
Increase in contract liabilities	(525)
Adjustment to retained earnings upon adoption of IFRS 15	553
Retained earnings as restated	46,330

Measurement

(i) Accounting for commissions

GO pays commissions to its sales employees and resellers on sale of contracts. Under IAS 18, these were expensed in the year in which they were incurred as they did not qualify for recognition as an asset under any of the applicable accounting standards. However, these costs relate directly to contracts, generate resources used in satisfying the contract and are expected to be recovered. Under the new rules of IFRS 15 and following the Group's adoption of IFRS 15, these commissions are capitalised as costs to fulfil a contract and included within other assets as customer contract assets in the statement of financial position. The asset is amortised on a straight line basis over the term of the specific contract it relates to, consistent with the pattern of recognition of the associated revenue. As at 1 January 2018, the capitalised amount of commissions amounted to €1,078,000, which amount was recognised in the opening statement of financial position on 1 January 2018 as contract assets. The financial results for the six month period under review have been impacted by €249,000 in view of this change in accounting policy.

(ii) Accounting for discounts

Upon signing of certain types of customer contracts, customers are granted discounts on products and services for part of the contract period. Prior to 1 January 2018, these discounts were reflected in profit or loss in those months during which the discounts to customers were applicable. Following the adoption of IFRS 15, these discounts are deferred and recognised in profit or loss over the entire term of the contract. As at 1 January 2018, these discounts created a contract liability amounting to €525,000, which was recognised in the opening statement of financial position as at 1 January 2018. The financial results for the six month period under review have been impacted by €117,000 in view of this change in accounting policy.

4 Fair values of financial instruments

The Group is required to disclose fair value measurements by level of a fair value measurement hierarchy for financial instruments (Level 1, 2 or 3). The different levels of the fair value hierarchy are defined as fair value measurements using:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly i.e. as prices, or indirectly i.e. derived from prices (Level 2).
- Inputs for the asset or liability that are not based on observable market data i.e. unobservable inputs (Level 3).

At 30 June 2018 and 31 December 2017, the carrying amounts of financial instruments not carried at fair value comprising cash at bank, receivables, payables, accrued expenses and short-term borrowings reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation. The fair value of advances to related parties and other balances with related parties, which are short-term or repayable on demand, is equivalent to their carrying amount.

The fair value of non-current financial instruments for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The fair value of the Group's non-current floating interest rate bank borrowings at the end of the reporting period is not significantly different from the carrying amounts. The current market interest rates utilised for discounting purposes, which were almost equivalent to the respective instruments' contractual interest rates, are deemed observable and accordingly these fair value estimates have been categorised as Level 2.

5 Segment Information

During the latter part of the preceding financial year, the Group has modified its internal reporting organisation and structure such that Telecommunication services (Telecommunications Malta CGU) and Data Centre services are treated as one business segment taking cognisance of continued technology, market, consumer demand and product developments, which further demonstrate the inextricable linkage of these two service lines. The following summary describes the operations in each of these service lines:

Telecommunication Services (*Malta*) comprise the Group's fixed-line telephony services, mobile telephony services, digital television services, sale of broadband, internet services and other business communication solutions provided within Malta.

Data Centre Services comprise the Group's data centre facilities and ICT solutions in Malta. The operations and activities of Kinetix IT Solutions Limited, a subsidiary acquired during 2016 with acquisition of residual non-controlling stake completed in the first quarter of 2018, have been allocated to this service line.

5 Segment Information - continued

Cash flows generated and returns secured from these services are significantly interdependent, also in the context of commonality of risks to which the Group is exposed as a result of the provision of these services and in the context of commonality of customer base. Management of these services lines has been adapted to reflect the factors mentioned above, with a view to achieving synergies and to approach the business market in a different manner focusing on the evolution of customer demands. Accordingly, the composition of the Group's reportable segments for the purposes of IFRS 8, 'Operating Segments' has changed.

Prior to the change in the Group's internal reporting organisation and structure, the Group had three reportable segments, which were considered to be effectively the Group's strategic business units and cash generating units: Telecommunications Malta CGU, Data Centre CGU and Telecommunications Cyprus CGU. Whereas the former two segments have been described above, the latter segment represents the Group's business in Cyprus.

The operations of the Cypriot subsidiary, Cablenet Communications Systems Limited acquired during 2016, constitute a reportable segment (*Cyprus CGU*) in view of the specific nature and characteristics of the Cypriot telecommunications sector, giving rise to a varied degree of business risks and returns. The company provides broadband, cable television and telephony services.

Subsequent to the modification of the Group's internal reporting organisation and structure, the Group defined its two reportable segments as the Malta CGU (Telecommunications Malta CGU and Data Centre CGU on a combined basis) and the Cyprus CGU, which are viewed as the Group's key and distinct strategic business units and its cash generating units as they represent the lowest level at which separately identifiable cash flows can be identified.

The Group's internal reporting to the Board of Directors and Senior Management is analysed according to these two segments. For each of these two strategic business units, the Board of Directors reviews internal management reports at least on a monthly basis.

As a result of the change in the composition of its reportable segments, the Group has restated all comparative financial information in respect of segment information reflected within the tables below.

	Malta		**Cyprus**		**Total**	
	30 Jun 2018	30 Jun 2017	**30 Jun 2018**	30 Jun 2017	**30 Jun 2018**	30 Jun 2017
	€000	€000	**€000**	€000	**€000**	€000
Revenue from external customers	**68,014**	65,594	**16,281**	15,386	**84,295**	80,980
Inter-segment revenue	**(20)**	(73)	**-**	-	**(20)**	(73)
Reportable segment profit before tax	**14,764**	12,889	**543**	643	**15,307**	13,532

5 Segment Information - continued

	Malta		Cyprus		Total	
	30 Jun 2018	31 Dec 2017	**30 Jun 2018**	31 Dec 2017	**30 Jun 2018**	31 Dec 2017
	€000	€000	**€000**	€000	**€000**	€000
Reportable segment assets	**179,329**	185,536	**81,328**	82,739	**260,657**	268,275
Reportable segment liabilities	**108,101**	108,396	**43,233**	44,768	**151,334**	153,164

A reconciliation of reportable segment results, assets and liabilities, to the amounts presented in the consolidated financial statements, is as follows:

	30 Jun 2018	30 Jun 2017
	€000	€000
Profit		
Total profit before tax for reportable segments	**15,307**	13,532
Consolidated profit before tax	**15,307**	13,532

	30 Jun 2018	31 Dec 2017
	€000	€000
Assets		
Total assets for reportable segments	**260,657**	268,275
Inter-segment eliminations	**(16,582)**	(16,458)
Consolidated total assets	**244,075**	251,817
Liabilities		
Total liabilities for reportable segments	**151,334**	153,164
Inter-segment eliminations	**(16,569)**	(16,458)
Consolidated total liabilities	**134,765**	136,706

6 Property, plant and equipment

(a) Acquisitions and disposals

During the six months ended 30 June 2018, the Group acquired assets, primarily plant and equipment, with a cost of €9.7 million (six months ended 30 June 2017: €10.8 million).

(b) Capital commitments

The following are capital commitments of the Group:

	30 Jun 2018	31 Dec 2017
	€000	€000
Contracted for:		
Property, plant and equipment	**3,472**	3,114
Intangible assets	**32,075**	32,795
Authorised but not yet contracted for	**7,134**	4,343
	42,681	40,252

7 Transactions with non-controlling interests

Acquisition of non-controlling stake in subsidiary

On 1 March 2018, the Group exercised its option to acquire the remaining 49% of the issued share capital of Kinetix IT Solutions Limited for a purchase consideration of €1.9 million. As at the date of this transaction, the carrying amount of the non-controlling interests in this subsidiary was €0.7 million. The purchase consideration exceeded the amounts attributable to the non-controlling interests as at that date by €1.1 million, which difference was recognised in equity. The Group now holds 100% of the equity share capital of the subsidiaries.

The effect of changes in the ownership interest in Kinetix IT Solutions on the equity attributable to owners of the Group is summarised as follows:

	Group	
	30 Jun 2018	30 Jun 2017
	€000	€000
Carrying amount of non-controlling interests acquired	**739**	-
Consideration paid to non-controlling interests	**(1,872)**	-
Excess of consideration paid recognised in parent's equity	**(1,133)**	-

8 Investment in Forthnet SA

Subsequent to a restructuring programme, GO is the direct owner of a total of 24,887,737 shares in Forthnet SA (equivalent to a total direct shareholding in Forthnet of 22.605% and equivalent voting power at the time of the restructuring), and hence Forthnet was categorised as an associate of GO with a nil carrying amount.

Forthnet had issued a convertible bond loan, with ordinary registered bonds convertible into ordinary shares of the company, and GO had resolved not to participate in the issue. During the year ended 31 December 2017, a portion of the convertible bonds was actually converted into ordinary shares, giving rise to a dilution in GO's shareholding. GO's shareholding in Forthnet declined from 22.605% to 15.197%. However, GO's Board of Directors considers that GO still exercises significant influence on Forthnet taking into account the unchanged composition of the Board of Forthnet and Forthnet's unmodified management structure.

As at 30 June 2018, the listed price of Forthnet's equity quoted on the Athens Stock Exchange, within the Companies under Surveillance segment, was €0.258 per ordinary share taking cognisance of the thin trading activity levels on the Stock Exchange. Accordingly, the value of GO's interest in Forthnet, based on the quoted price of the equity as at 30 June 2018 was €6.4 million.

9 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 2018, the Company estimated that its obligations towards the remaining potential beneficiaries amounted to €6.4 million (31 December 2017: €6.3 million).

10 Dividends

A dividend in respect of the year ended 31 December 2017 of €0.13 (2016: €0.11) per share, amounting to €13,170,363 (2016: €11,144,154), was proposed by the Board of Directors. The 2017 dividend was approved for payment by the Board of Directors during the Annual General Meeting held on 14 May 2018.

11 Contingencies

There were no major changes in the contingencies of the Company and its subsidiaries from those disclosed in the consolidated financial statements of the Group for the year ended 31 December 2017.

12 Related party transactions

(a) Parent and ultimate controlling party

The Company and its subsidiaries have a related party relationship with Société Nationale des Télécommuncations (Tunisie Telecom), the Company's ultimate parent, related entities ultimately controlled by Tunisie Telecom, together with the Company's Directors (key management personnel). 65.4% of the issued share capital of the Company is held by TTML Limited, a wholly owned subsidiary of Tunisie Telecom, which is registered in Malta. Dubai Holding LLC (GO's former ultimate parent) and all entities ultimately controlled by it are still considered to be related parties, in view of Dubai Holding LLC's interest in and significant influence on GO's current ultimate parent. The Tunisian Government holds a 65% shareholding in Tunisie Telecom, and Emirates International Telecommunications (EIT), a subsidiary of Dubai Holding LLC, owns the other 35%.

(b) Related party transactions

Consistent with the disclosures in the audited financial statements for the year ended 31 December 2017, the Group has a related party relationship with its ultimate parent and entities ultimately controlled by it (see above); key management personnel together with close members of their family and entities controlled by them.

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

	Six months ended 30 Jun 2018 €000	Six months ended 30 Jun 2017 €000
Current ultimate parent and related entities		
Services provided to	**30**	12
Expenses recharged to	**-**	21
Dividends paid to	**8,617**	-
Former ultimate parent and related entities		
Services provided by	**1,464**	1,486

(c) Related party balances

The principal balances with related parties are analysed as follows:

	30 Jun 2018 €000	31 Dec 2017 €000
Current ultimate parent and related entities		
Amounts payable to	**(21)**	(12)
Amounts receivable from	**28**	31

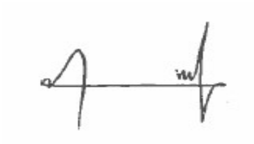
GO p.l.c.

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 2018, 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.



Mohammed Fadhel Kraiem

Chairman

10 August 2018

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 interim statement of financial position of GO p.l.c. as at 30 June 2018, 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 notes, comprising a summary of significant accounting policies and other 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'.

PricewaterhouseCoopers

78 Mill Street
Qormi
Malta

F Axisa

Fabio Axisa
Partner

10 August 2018

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.