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 in accordance with the provisions of the Financial Markets Act as they may be amended from time to time.

Quote

In a meeting held earlier today 9 August 2019, the Board of Directors of the Company approved the attached Group Condensed Consolidated Interim Unaudited Financial Statements for the six-month period ended 30 June 2019.

The Condensed Consolidated Interim Financial Statements are also available for viewing on the Company's website through the following link: https://cms.go.com.mt/wp-content/uploads/2019/08/Interim-Financial-Statements.pdf

Unquote

Dr. Francis Galea Salomone LL.D.
Company Secretary

9 August 2019

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GO p.l.c.

Condensed Consolidated Interim Financial Statements

For the Period 1 January 2019 to 30 June 2019

Company Registration Number: C 22334

GO p.l.c.

Condensed Consolidated Interim Financial Statements
For the period 1 January 2019 to 30 June 2019

Contents

GO p.l.c.

Directors' Report pursuant to Listing Rule 5.75.2

For the period 1 January 2019 to 30 June 2019

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 2019 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 2018.

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 residential 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 residential and business clients.

Review of financial performance

The Group's performance for the period under review remained strong, registering an increase in revenue and likewise an improvement in the gross profit margin.

The Group's strategy to strengthen all lines of revenue and control costs has realised tangible results. During the period under review, the Group increased its revenues by €0.6 million, closing at €84.9 million compared to €84.3 million at end June 2018. There has also been a reduction in the cost of sales, thereby improving gross profit margin by 1.4%.

In the first six months of the year, GO incurred €2.4 million of one-off costs, these relating to the IPO of BMIT Technologies p.l.c. ("BMITT") as well as the voluntary retirement scheme. Moreover in 2018, the Group was positively impacted by the first time adoption of IFRS 9 which resulted in a one-time release in bad debts provisions. These in aggregate led to a €4 million increase in administrative and other related expenses in the current reporting period.

Moreover, in June 2019, GO has also finalised its agreement on St. George's Exchange generating an aggregate gain of €0.9 million.

The above were the highlights to the movement in GO's operating results, with operating profit decreasing by €1.7 million, closing at €14.3 million (2018: €16 million). Excluding all one-off items, operating profit improved by €1 million when compared to the 2018 results. This reinforces GO's positive strategy, keeping tab on its cost base whilst enhancing efficiencies in its operations.

Effective 2019, GO adopted the new IFRS 16 Leases using the simplified transition approach which did not require the restatement of comparative amounts, resulting in recognition of right-of-use assets and finance liabilities, amounting to €58.2 million €57.4 million respectively. The impact on EBITDA was an uplift of €3.3 million whereas the amortisation and finance charges increased by €3.8 million, adversely impacting profit before taxation by a net of €0.5 million.

The investments in our subsidiaries have also positively contributed to the overall profitability of the Group. The investment in BMITT continues to deliver positive results. During the period under review, BMITT retained the same levels of operating profit as in 2018 whereas it registered a marginal decrease in profit before taxation, in particular through the adoption of IFRS16 which resulted in higher amortisation and finance charges. Our subsidiary in Cyprus, Cablenet continued its positive trajectory, revenue increasing by 8.5%, EBITDA by 12%, operating profit remained stable whereas profit before tax increasing by 4.7%.

Cash generation from operations remains strong and stable across the entire Group and during the period under review amounted to €24.8 million (2018: €24.8 million). The continued strong cash generation from operations enabled the Group to fund investments of €16.9 million (2018: €15.5 million). The Group's cash position was amplified by the proceeds from the disposal of the non-controlling interest in BMITT, part of which was distributed as a special dividend in the current year.

The Group continues to enjoy a healthy financial position. As at 30 June 2019 the Group had a total asset base of €313.5 million which is 38.6% (2018: 47%) funded through equity. The reduction, when compared to 2018, is due to the increase in right-of-use assets which are financed by lease liabilities. During the first six months of 2019, borrowings net of cash holdings increased from €56.5 million as at 31 December 2018 to €59.6 million as at 30 June 2019.

Commentary on performance

On 7 January 2019, the Company announced that the application made to the Listing Authority for all the shares of its subsidiary BMITT, to be admitted to listing on a regulated market was approved for the initial public offering of up to 49% of the ordinary shares of the company at an offer price of 49 euro cents per share. On 7 February 2019, GO announced that the offer for sale of 99,761,701 ordinary shares in BMITT at the offer price of 49 euro cents per share was oversubscribed and accordingly GO disposed of 49% of its shareholding in BMITT, thus retaining control over the subsidiary. Shares in BMITT were admitted to listing on the Official List of the Malta Stock Exchange on 15 February 2019 and commenced trading on 18 February 2019. The disposal of the non-controlling interest in BMITT resulted in the Group receiving gross proceeds of €48.8 million.

The Group maintained the strategic investment programme to drive revenue growth both in Malta as well as in Cyprus, be it network related as well as support solutions, processes and media content. Thanks to such investments, the customer experience is constantly being 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, now exceeding 83,635 homes passed and 28,485 customers connected to the fibre network. Throughout the first six months of 2019, GO was actively preparing to connect Vodafone to its true fibre network in line with the agreement signed in late 2018 for the provision of VULA service.

During the second quarter of 2019, GO has capitalised on its popular brand Homepack and has revamped its offering by allowing customers to personalise their own Homepack by choosing the services that suit their lifestyle. This launch was well received by our customers and in just two months GO has seen a positive uptake of the Mix and Match offering.

The significant investments that GO has made in its mobile network over the recent years have seen GO increase its mobile subscriber 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 improvement in GO's product portfolio and a passion to serve customers better.

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 that more customers are opting for Cablenet as their preferred service provider with a customer base growing by more than 9% when compared to June 2018, now exceeding 66,685 subscribers. Such sustained growth in both markets encourages the Group to persevere with its parallel investment programme in Malta and Cyprus.

Related party transactions

During the period under review, the Group acquired services amounting to €0.004 million from entities ultimately controlled by Société Nationale des Télécommunications (Tunisie Telecom), the intermediate parent company, and €0.2 million from other related entities. Dividends paid to the parent company amounted to €36.4 million.

Dividends

On 8 March 2019, the Board of Directors approved the payment of a dividend in respect of the year ended 31 December 2018 of €0.14 and a special dividend of €0.41, net of taxation per share for the period under review. This dividend was paid on 30 May 2019. Following this dividend the Board of Directors still needs to determine the extent of dividend distribution for 2019 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 2019.

Approved by the Board of Directors on 9 August 2019 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 2019

	Note	**As at 30 Jun 2019 Unaudited €000**	As at 31 Dec 2018 Audited €000
ASSETS			
Non-current assets			
Property, plant and equipment	6	**140,888**	139,646
Right-of-use assets		**58,192**	-
Intangible assets		**54,658**	57,606
Investment in associate		**18**	18
Deferred tax assets		**1,661**	1,391
Trade and other receivables		**2,385**	2,559
Total non-current assets		**257,802**	201,220
Current assets			
Inventories		**6,783**	7,541
Trade and other receivables		**39,817**	34,946
Cash and cash equivalents		**9,093**	11,725
Total current assets		**55,693**	54,212
Total assets		**313,495**	255,432
EQUITY AND LIABILITIES			
EQUITY			
Share capital		**58,998**	58,998
Reserves		**(2,466)**	(2,343)
Retained earnings		**51,943**	55,983
Total equity attributable to equity holders of the Company		**108,475**	112,638
Non-controlling interests		**12,584**	7,539
Total equity		**121,059**	120,177

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Condensed Consolidated Interim Financial Statements

Statement of financial position - continued
As at 30 June 2019

	Note	**As at 30 Jun 2019 Unaudited €000**	As at 31 Dec 2018 Audited €000
LIABILITIES			
Non-current liabilities			
Borrowings		**50,400**	50,286
Lease liabilities		**51,784**	-
Deferred tax liabilities		**2,207**	2,354
Provisions for pensions	8	**2,931**	2,918
Trade and other payables		**-**	1,947
Total non-current liabilities		**107,322**	57,505
Current liabilities			
Borrowings		**18,333**	17,971
Provisions for pensions	8	**3,617**	3,474
Lease liabilities		**5,640**	-
Trade and other payables		**50,565**	53,273
Current tax liabilities		**6,959**	3,032
Total current liabilities		**85,114**	77,750
Total liabilities		**192,436**	135,255
Total equity and liabilities		**313,495**	255,432

The notes on pages 12 to 25 are an integral part of these condensed consolidated interim financial statements.

The condensed consolidated interim financial statements set out on pages 4 to 25 were approved by the Board of Directors on 9 August 2019 and were signed on its behalf by:

Mohammed Fadhel Kraiem
Chairman

Paul Testaferrata Moroni Viani
Director

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Condensed Consolidated Interim Financial Statements

Income statement
For the period 1 January 2019 to 30 June 2019

	Six months ended 30 Jun 2019 Unaudited €000	Six months ended 30 Jun 2018 Unaudited €000
Revenue	**84,899**	84,295
Cost of sales	**(48,236)**	(49,026)
Gross profit	**36,663**	35,269
Administrative and other related expenses	**(23,936)**	(19,876)
Other income	**720**	632
Gain on transactions in property rights	**900**	-
Operating profit	**14,347**	16,025
Analysed as follows:		
EBITDA	**35,654**	32,856
Depreciation and amortisation	**(21,307)**	(16,831)
Operating profit	**14,347**	16,025
Finance income	**179**	171
Finance costs	**(1,597)**	(890)
Profit before tax	**12,929**	15,306
Tax expense	**(5,087)**	(4,928)
Profit for the period	**7,842**	10,378
Attributable to:		
Owners of the Company	**6,390**	9,810
Non-controlling interests	**1,452**	568
Profit for the period	**7,842**	10,378
Earnings per share (euro cents)	**6c3**	9c7

The notes on pages 12 to 25 are an integral part of these condensed consolidated interim financial statements.

GO p.l.c.

Condensed Consolidated Interim Financial Statements

Statement of comprehensive income
For the period 1 January 2019 to 30 June 2019

	Six months ended 30 Jun 2019	Six months ended 30 Jun 2018
	Unaudited	Unaudited
	€000	€000
Comprehensive income		
Profit for the period	**7,842**	10,378
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit obligations	**(189)**	(66)
Income tax relating to components of other comprehensive income: - Remeasurements of defined benefit obligations	**66**	23
Total other comprehensive income for the period, net of tax	**(123)**	(43)
Total comprehensive income for the period	**7,719**	10,335
Attributable to:		
Owners of the Company	**6,267**	9,767
Non-controlling interests	**1,452**	568
Total other comprehensive income for the period	**7,719**	10,335

The notes on pages 12 to 25 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 2019 to 30 June 2019

Unaudited	Share capital €000	Reserves €000	Retained earnings €000	Total €000	Non-controlling interests €000	Total equity €000
Balance at 1 January 2018	58,998	616	48,440	108,054	8,073	116,127
Comprehensive income						
Profit for the period	-	-	9,810	9,810	568	10,378
Other comprehensive income						
Remeasurements 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 in subsidiary	-	(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)**	**46,822**	**103,518**	**7,902**	**111,420**

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Condensed Consolidated Interim Financial Statements

Statement of changes in equity
For the period 1 January 2019 to 30 June 2019

Unaudited	Share capital €000	Reserves €000	Retained earnings €000	Total €000	Non-controlling interests €000	Total equity €000
Balance at 1 January 2019	58,998	(2,343)	55,983	112,638	7,539	120,177
Comprehensive income						
Profit for the period	-	-	6,390	6,390	1,452	7,842
Other comprehensive income						
Remeasurements of defined benefit obligations, net of deferred tax	-	(123)	-	(123)	-	(123)
Total other comprehensive income	-	(123)	-	(123)	-	(123)
Total comprehensive income	-	(123)	6,390	6,267	1,452	7,719
Transactions with owners in their capacity as owners						
Distributions to owners:						
Dividends to equity holders	-	-	(55,720)	(55,720)	-	(55,720)
Changes in ownership interest that do not result in loss of control:						
Disposal of non-controlling interest in subsidiary	-	-	45,290	45,290	3,593	48,883
Total transactions with Owners	-	-	(10,430)	(10,430)	3,593	(6,837)
Balance at 30 June 2019	**58,998**	**(2,466)**	**51,943**	**108,475**	**12,584**	**121,059**

The notes on pages 12 to 25 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 2019 to 30 June 2019

	Six months ended 30 Jun 2019	Six months ended 30 Jun 2018
	Unaudited	Unaudited
	€000	€000
Cash flows from operating activities		
Operating profit	**14,347**	16,025
Adjustments for:		
Depreciation and amortisation	**21,307**	16,831
Net increase/(decrease) in provisions and write-downs in relation to receivables and inventories	**596**	(408)
Expenses in relation to disposal of non-controlling interest in subsidiary	**1,534**	-
Gain on transactions in property rights	**(900)**	-
Provisions for pensions	**7**	6
Voluntary retirement costs	**954**	-
	37,845	32,454
Changes in working capital:		
Inventories	**970**	(490)
Trade and other receivables	**(5,605)**	416
Trade and other payables	**(5,043)**	(6,175)
Cash generated from operations	**28,167**	26,205
Interest received	**-**	1
Interest paid on bank overdrafts	**(6)**	(15)
Interest paid on lease liabilities	**(818)**	-
Tax paid	**(1,507)**	(1,328)
Payments under voluntary retirement scheme	**(954)**	-
Payments in relation to pension obligations	**(40)**	(50)
Net cash generated from operating activities	**24,842**	24,813

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Statement of cash flows
For the period 1 January 2019 to 30 June 2019

	Six months ended	Six months Ended
	30 Jun 2019	30 Jun 2018
	Unaudited	Unaudited
	€000	€000
Cash flows from investing activities		
Payments to acquire property, plant and equipment and intangible assets	**(16,939)**	(15,569)
Payments for acquisition of non-controlling interest in subsidiary	**-**	(1,872)
Proceeds from disposal of property right	**500**	-
Proceeds from disposal of non-controlling interest in subsidiary	**47,349**	-
Net cash generated from/(used in) investing activities	**30,910**	(17,441)
Cash flows from financing activities		
Repayment of bank and other loans	**(5,280)**	(7,455)
Proceeds from bank and other loans	**5,400**	6,000
Principal elements of lease payments	**(3,123)**	-
Dividends paid	**(55,207)**	(13,673)
Loan interest paid	**(514)**	(1,001)
Net cash used in financing activities	**(58,724)**	(16,129)
Net movements in cash and cash equivalents	**(2,972)**	(8,757)
Cash and cash equivalents at beginning of period	**4,693**	6,013
Exchange differences on cash and cash equivalents	**2**	(4)
Movement in cash pledged as guarantees	**(15)**	8
Cash and cash equivalents at end of period	**1,708**	(2,740)

The notes on pages 12 to 25 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 2019 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 2018 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 statements was approved for issue by the Board of Directors on 9 August 2019.

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".

2 Basis of preparation

The condensed consolidated interim financial statements as at and for the six-month period ended 30 June 2019 has been prepared 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"). The condensed consolidated interim financial statements information should be read in conjunction with the annual financial statements for the year ended 31 December 2018, 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 IFRS 16 Leases.

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

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements but are mandatory for the Group's accounting periods beginning after 1 January 2019. The Group has not early adopted these revisions to the requirements of IFRSs as adopted by the EU, and the Company's Directors are of the opinion that there are no requirements that will have a possible significant impact on the Group's financial statements in the period of initial application.

(c) Financial position of the Group

As at 30 June 2019, the Group's current liabilities exceeded its current assets by €29.4 million (2018: €23.5 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 16 Leases on the Group's financial statements and discloses the new accounting policy that have been applied from 1 January 2019.

The Group has adopted IFRS 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard.

The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

(a) Adjustments recognised on adoption of IFRS 16

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 3%.

The associated right-of-use assets for property leases were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

3 Changes in accounting policies - continued

The recognised right-of-use assets relate to the following types of assets:

	As at 30 Jun 2019 Unaudited €000	As at 1 Jan 2019 Unaudited €000
Properties	**38,005**	37,246
Equipment	**2,588**	1,901
Licences	**17,599**	18,893
Total right-of-use assets	**58,192**	58,040

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

- right-of-use assets – increase by €58,040,000
- lease liabilities – increase by €58,040,000

The income statement includes the following amounts relating to leases:

	As at 30 Jun 2019 Unaudited €000
Amortisation charge of right-of-use assets	
Properties	1,611
Equipment	254
Licences	1,151
	3,016
Interest expense (included in finance cost)	**818**

Operating lease charges utilising IAS 17 Leases, for the period from 1 January 2019 to 30 June 2019 would have amounted to €3.3 million.

The total cash outflow for leases in 2019 was €3.1 million.

3 Changes in accounting policies - continued

Adjusted EBITDA, segment assets and segment liabilities for June 2019 all increased as a result of the change in accounting policy. Lease liabilities are now included in segment liabilities. The following segments were affected by the change in policy:

As at 30 Jun 2019	Adjusted EBITDA Unaudited €000	Segment assets Unaudited €000	Segment liabilities Unaudited €000
Properties	1,799	38,005	39,239
Equipment	342	2,588	1,562
Licences	1,151	17,599	16,623
Total right-of-use assets	**3,292**	**58,192**	**57,424**

As at 30 Jun 2019	Assets Unaudited €000	Liabilities Unaudited €000
Segment		
Telecommunications		
Malta	49,576	48,793
Cyprus	3,749	3,704
Data centre	4,867	4,927
Total right-of-use assets	**58,192**	**57,424**

Practical expedients applied

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- reliance on previous assessments on whether leases are onerous;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

(b) The Group's leasing activities and how these are accounted for

The Group leases various properties and equipment. Rental contracts are typically made for fixed periods of 5 to 25 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

3 Changes in accounting policies - continued

Until the 2018 financial year, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee’s incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

3 Changes in accounting policies - continued

Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

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 2019 and 31 December 2018, 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

5.1 Operating segments

Prior to the disposal of the non-controlling interest in BMIT Technologies p.l.c. (BMITT) during the period under review, the Group had two reportable segments, which were effectively the Group's strategic business units and cash-generating units. The two segments were Malta Operations and Cyprus Operations. Malta Operations included Telecommunications services (Malta) and Data Services. Following the disposal of the non-controlling stake in BMITT, the Group has modified its internal reporting organisation and structure such that Telecommunications Services Malta and Data Services are treated as two business segments. The Group has now three reportable segments, which are effectively the Group's strategic business units and cash-generating units. The strategic business units are managed separately with their own separate management structure and board of directors. The Group's internal reporting to the Board of Directors and Senior Management is analysed according to these segments. For each of the strategic business units, the Board of Directors reviews internal management reports at least on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

Telecommunication Services Malta (Telecommunications Malta CGU) 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 (Data Centre CGU) comprise the Group's operations of BMITT. The company provides data centre facilities and ICT solutions in Malta.

Telecommunications Services Cyprus (Telecommunications Cyprus CGU) comprise the Group's operations of the Cypriot subsidiary, Cablenet Communications Limited. The company provides broadband, cable television and telephony services.

5 Segment information - continued

	Telecommunications				Data Centre		Total	
	Malta Operations		Cyprus Operations					
	30 June							
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018
Unaudited	**€000**	€000	**€000**	€000	**€000**	€000	**€000**	€000
Revenue from external customers	**57,254**	58,575	**17,622**	16,281	**11,167**	10,624	**86,043**	85,480
Inter-segment revenue	**(767)**	(782)	**-**	-	**(377)**	(403)	**(1,144)**	(1,185)
Revenue from external customers	**56,487**	57,793	**17,622**	16,281	**10,790**	10,221	**84,899**	84,295
Reportable segment profit before tax	**8,242**	10,524	**553**	543	**4,134**	4,239	**12,929**	15,306
Reportable segment assets	**196,050**	159,013	**93,534**	83,887	**45,774**	33,518	**335,358**	276,418
Reportable segment liabilities	**144,504**	92,573	**57,435**	47,536	**12,360**	13,559	**214,299**	153,668

5 Segment information - continued

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

	30 Jun 2019 Unaudited €000	30 Jun 2018 Unaudited €000
Profit		
Total profit for reportable segments and consolidated profit before tax	**12,929**	15,306

	30 Jun 2019 Unaudited €000	31 Dec 2018 Audited €000
Assets		
Total assets for reportable segments	**335,358**	273,088
Inter-segment eliminations	**(21,863)**	(17,656)
Consolidated total assets	**313,495**	255,432
Liabilities		
Total liabilities for reportable segments	**214,299**	152,911
Inter-segment eliminations	**(21,863)**	(17,656)
Consolidated total liabilities	**192,436**	135,255

5.2 Information about geographical segments

The Group's revenues are derived from operations carried out in Malta and in Cyprus. The Telecommunications segment for both Malta and Cyprus also derives revenue from incoming interconnect traffic and inbound roaming from foreign operators worldwide. Considering the nature of the Group's activities, its non-current assets are predominantly located in Malta and Cyprus.

5.3 Information about major customers

The Group does not have any particular major customer, as it largely derives revenue from a significant number of customers availing of its services. Accordingly, the Group does not deem necessary any relevant disclosures in respect of reliance on major customers.

6 Property, plant and equipment

(a) Acquisitions and disposals

During the six months ended 30 June 2019, the Group acquired assets, primarily plant and equipment, with a cost of €16.3 million (six months ended 30 June 2018: €9.7 million).

(b) Capital commitments

The following are capital commitments of the Group:

	30 Jun 2019 Unaudited €000	31 Dec 2018 Audited €000
Contracted for:		
Property, plant and equipment	**8,432**	5,274
Intangible assets	**32,069**	30,855
Authorised but not yet contracted for:		
Property, plant and equipment	**4,301**	6,871
	44,802	43,000

7 Transactions relating to 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:

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

7 Transactions relating to non-controlling interests - continued

Disposal of non-controlling stake in subsidiary

On 7 January 2019, the Company announced that an application was made to the Listing Authority for all the shares of its subsidiary, BMITT, to be admitted to listing on a regulated market and a prospectus was approved for the initial public offering of up to 49% of the ordinary shares of BMITT at an offer price of 49 euro cents per share.

Shares in BMITT were admitted to listing on the Official List of the Malta Stock Exchange on 15 February 2019, whereas trading commenced on 18 February 2019.

On 7 February 2019, GO announced that the offer for sale of 99,761,701 ordinary shares in BMITT at the offer price of 49 euro cents per share was oversubscribed and accordingly GO was disposed 49% of its shareholding in BMITT, thus retaining control over the subsidiary.

The impact of the disposal of the non-controlling stake on GO's consolidated financial position upon disposal is reflected in the tables below:

	30 Jun 2019 Unaudited €000
Proceeds received	48,883
Non-controlling interests recognised upon disposal	(3,593)
Gain on disposal recognised directly in equity	45,290

The excess of consideration received is recognised as a gain on disposal of non-controlling interest in subsidiary, directly in equity. Expenses in relation to the disposal of non-controlling interest in subsidiary amounting to €1,534,000 are recognised within "Administrative and other related expenses" in the income statement. The net of the proceeds received of €48,883,000 and the related expenses of €1,534,000, is disclosed within cash generated from investing activities within the cash flow statement.

8 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 2019, the Company estimated that its obligations towards the remaining potential beneficiaries amounted to €6.5 million (31 December 2018: €6.4 million).

9 Operating profit

During the interim period the following items of unusual nature, size or incidence have been charged/(credited) to operating profit:

	30 Jun 2019 Unaudited €000	30 Jun 2018 Unaudited €000
Voluntary retirement costs	**950**	50
Expenses in relation to disposal of non-controlling interest in subsidiary (Note 7)	**1,534**	-
Gain on transactions in property rights	**(900)**	-

10 Dividends

A dividend in respect of the year ended 31 December 2018 of €0.14 (2017: €0.13) per share, amounting to €14,183,468 (2017: €13,170,363), was proposed by the Board of Directors. The 2018 dividend was approved for payment by the Board of Directors during the Annual General Meeting held on 28 May 2019.

On 8 March 2019, the Board of Directors approved the payment of a special dividend of €0.41 (2018: nil), net of taxation, per share for the year 2019. The payment of this special interim dividend amounting to €41,537,300 was effected in view of the profits generated from the sale by the Company of its 49% shareholding in BMITT. This dividend was paid on 30 May 2019.

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 2018.

12 Related party transactions

(a) Parent and ultimate controlling party

The Company and its subsidiaries have a related party relationship with Société Nationale des Télécommunications (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 2018, 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 2019 Unaudited €000	Six months ended 30 Jun 2018 Unaudited €000
Current ultimate parent and related entities		
Services provided to	**2**	30
Services provided by	**16**	
Expenses recharged to	**2**	-
Dividends paid to	**36,441**	8,617
Former ultimate parent and related entities		
Services provided by	**253**	324
Payments relating to lease assets	**1,405**	1,140

(c) Related party balances

The principal balances with related parties are analysed as follows:

	30 Jun 2019 Unaudited €000	31 Dec 2018 Audited €000
Current ultimate parent and related entities		
Amounts payable to	**(34)**	(21)
Amounts receivable from	**70**	28

13 Events after the end of the reporting period

During an extraordinary general meeting held on 6 August 2019, the shareholders of the subsidiary BMITT, approved the acquisition of the immovable property constructed on two plots of land, known as plot 55 and 56, in Triq Manwel Borg Gauci corner with Triq Luigi Maria Galea in Tal-Handaq, Qormi by BMIT Technologies p.l.c. or any subsidiaries of the company at a price of €4,000,000. This property is currently being leased for a term up to November 2023, by a subsidiary of the Group and is included as a right-of-use asset amounting to €849,000 in the statement of financial position.

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 2019, 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

9 August 2019

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. and its subsidiaries (the Group) as at 30 June 2019, 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 condensed consolidated interim financial statements"). The Directors are responsible for the preparation and fair presentation of these condensed consolidated interim financial statements 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 these condensed consolidated interim financial statements 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 condensed consolidated interim financial statements 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.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers

78 Mill Street
Qormi
Malta

Fabio Axisa
Partner

9 August 2019

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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.