



**31st August 2010**

**COMPANY ANNOUNCEMENT**

The following is a company announcement issued by GO p.l.c. (“**the Company**”) pursuant to Malta Financial Services Authority Listing Rules 8.7.4, 8.7.21 and 8.7.23

**Quote**

In a meeting held earlier today the 31<sup>st</sup> August 2010, the Board of Directors of the Company approved the attached Group Interim Unaudited Financial Statements for the six-month period ended 30 June 2010.

The Interim Financial Statements are available for viewing on the Company’s website [www.go.com.mt](http://www.go.com.mt)

**Unquote**

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

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



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**GO p.l.c.**

Condensed Consolidated  
Interim Financial Statements

For the Period 1 January 2010 to  
30 June 2010

Company Registration Number: C 22334

# GO p.l.c.

## Condensed Consolidated Interim Financial Statements

**For the Period 1 January 2010 to 30 June 2010**

### Contents

	<b>Page</b>
Directors' Report pursuant to Listing Rule 9.44k.2	1 - 3
Condensed Consolidated Interim Financial Statements:	
Condensed Consolidated Interim Statement of Financial Position	4 - 5
Condensed Consolidated Interim Income Statement	6
Condensed Consolidated Interim Statement of Comprehensive Income	7
Condensed Consolidated Interim Statement of Changes in Equity	8 - 9
Condensed Consolidated Interim Statement of Cash Flows	10 - 11
Notes to the Condensed Consolidated Interim Financial Statements	12 - 22
Statement pursuant to Listing Rule 9.44k.3	23
Independent Auditor's Report on Review of Condensed Consolidated Interim Financial Information	

# GO p.l.c

## Director's Report pursuant to Listing Rule 9.44k.2

For the period 1 January 2010 to 30 June 2010

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*This Half-Yearly Report is being published in terms of Chapters 8 and 9 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) consolidated financial statements for the six months ended 30 June 2010 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 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 2009.*

### Principal activities

The Group is Malta's leading telecommunications and ancillary services provider. The services provided by the Group include fixed-line and mobile telephony services, broadband and Internet services, digital TV, radio paging and data hosting facilities. As from February 2008, the Company has an interest in a jointly-controlled entity (Forgendo Limited), a company registered in Cyprus. Forghendo Limited currently holds an investment in an associate (Forthent S.A.) registered in Greece, which provides fixed-line telephony, broadband and satellite TV services in Greece.

The Company and certain subsidiaries and their activities, are regulated by and are subject to the provisions of the Electronic Communications (Regulation) Act, 2004 and regulations issued thereunder.

### Review of financial performance

During the first six months of the current financial year the Group achieved an operating profit of €11.24 million, a significant improvement over a loss of €0.25 million registered in 2009. The 2009 results included a number of significant one-off items; however one-off items had limited impact on 2010 results. Normalised results before one-off items show an operating profit of €11.35 million this year representing an increase of 46.1% over the normalised operating profit of €7.77 million in the comparative period.

The strong improvement in the operating performance of the Group is due to both improved revenues as well as lower costs.

The Group's revenue amounted to €64.19 million as against €59.89 million in 2009 representing growth of 7.2%. The Group has experienced strong growth in broadband, data and TV services which have compensated for the decline the Group continues to experience in traditional fixed-voice services, though it is encouraging to note that the rate of decline is slowing down. Developments in the mobile market during the second half of 2009 have led to a marginal decline in revenue from mobile operations in spite of growth in the subscriber base. Revenue from the BM companies in which the Group acquired 60% in April last year, amounted to €4.89 million and represents a key growth area for the Group.

Cost of sales amounted to €38.06 million and although they represent growth of 5.1% over the €36.20 million registered in 2009, the increase is directly related to the revenue generated by the BM companies. GO p.l.c. managed to significantly reduce its cost of sales and administrative expenses with the main reductions coming from payroll and various discretionary cost items. The reduction in costs was mitigated by increased electricity expense and costs directly related to increased sales activity, primarily TV.

# GO p.l.c

## Director's Report pursuant to Listing Rule 9.44k.2

For the period 1 January 2010 to 30 June 2010

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The Group's earnings before interest, tax, depreciation and amortisation (EBITDA) and before significant one-off items amounted to €23.13 million as against €19.86 million in the comparative period, an increase of 16.5%.

After providing for net finance costs amounting to €1.27 million and the Group's share of the results of the investment in Forghendo Limited amounting to €7.03 million, as well as the adjustment to the carrying amount of the investment in Forghendo following the capitalization of interest free loan, the Group's loss before taxation amounted to €0.65 million, compared to a restated loss of €4.49 million in the comparative period. The net loss after tax amounted to €5.22 million compared to a net loss of €4.86 million for the six-month period to 30 June 2009.

The Group continued to generate free cash flows from its operations, which funds were utilised to finance the Group's investments, in particular those aimed at strengthening the Group's various wire line and wireless networks.

### Commentary on performance

Over the past years the Group has focused its efforts in ensuring that it provides its customers with an unparalleled customer experience. This strategy is delivering results as the Group continues to register strong performance in customer retention and acquisition across all its products. During the period under review customer connections are fast approaching the 500,000 milestone as a result of growth in broadband, TV and mobile connections coupled with strong retention of traditional fixed-voice connections. As a result of strong growth throughout the first half of the year, as at 30 June the TV client base exceeded 52,000 whilst broadband connections are fast approaching 60,000. The Group is confident that it can further reinforce its leading position in the market as it launches various premium TV products during the second half of the year.

The Group is pursuing an extensive investment strategy that will allow it to offer new innovative products in the coming years. Whilst investments in its wire line network are ongoing and primarily aimed at improving the broadband experience of its customers, this year the Group has also embarked upon the total replacement of its mobile core network, as well as various projects aimed at enhancing its TV offering. These projects will be completed in the coming months. These investments are aimed at ensuring that the Group continues to be the leader in voice and data services through both fixed and mobile networks as well as in the provision of digital terrestrial TV services through the launch of innovative new services.

During the second half of 2009 the Group managed a significant reduction in its headcount levels. Reductions are ongoing, albeit at a slower rate. These reductions, coupled with major reviews of the way the Group conducts its business, are delivering significant reductions in costs. The Group will continue to pursue such initiatives on an ongoing basis to reflect changes in the market.

The Group's success in retaining and growing its customer base, the launch of new products and the benefits resulting from right-sizing and reorganising the Group gives it a solid basis on which to compete effectively.

# GO p.l.c

## Director's Report pursuant to Listing Rule 9.44k.2

For the period 1 January 2010 to 30 June 2010

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During the period, the Group acquired further shares in Forthnet S.A. through its investment in Forgado Limited. During the current period, Forgado Limited increased its percentage equity holding in Forthnet S.A. from 37.1% to 39.9%. Forthnet S.A. is a leading telecommunications operator in Greece providing triple play services consisting of broadband, fixed voice and satellite TV services. Forthnet's results during the first half of 2010 were negatively impacted by the Greek economic situation and the financial measures that Greece took to address the financial crisis. Within this backdrop, Forthnet focused its efforts on exploiting the investments it made during 2009 in broadband access and content rights, pursuing a strategy aimed at increasing its overall client base in particular through joint sell offerings of PayTV and broadband services. As a result of this strategy, during the first half of 2010 Forthnet's LLU customer base reached 391K, whilst active PayTV subscribers amounted to 342K. The increase in the overall subscriber base had a positive impact on revenue which amounted to €198.76 million (growth of 10.4% over 2009), however EBITDA amounted to €33.94 million reflecting a decline of 7.2%.

### Related party transactions

During the period under review, the Group advanced funds to, and paid other amounts on behalf of, the jointly-controlled entity, amounting to €2.34 million and €0.05 million respectively. In addition, the Group acquired services amounting to €1.15 million from entities controlled by Dubai Holdings LLC, the ultimate parent company. Dividends paid to the parent company amounted to €6.08 million.

### Dividends

The Board of Directors has resolved to determine the extent of dividend distribution for 2010 on the basis of the full results for the year. Accordingly, no dividends are declared upon issue of the results for the six-month period ended 30 June 2010.

Approved by the Board of Directors on 31 August 2010 and signed on its behalf by



Deepak S Padmanabhan  
Chairman



Michael Warrington  
Director

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## Condensed Consolidated Interim Statement of Financial Position

As at 30 June 2010

	Notes	As at 30.06.10 €000	As at 31.12.09 €000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	120,481	125,852
Investment property		1,350	1,350
Intangible assets		20,908	22,485
Investment in jointly-controlled entity	7	8,970	21,290
Loans receivable from jointly-controlled entity	7	71,279	65,876
Other investments and related instruments		1,347	1,347
Deferred tax assets		5,549	7,110
Trade and other receivables		1,365	1,273
		-----	-----
Total non-current assets		231,249	246,583
		-----	-----
<b>Current assets</b>			
Inventories		6,539	7,011
Trade and other receivables		49,444	46,576
Current tax assets		1,112	613
Cash at bank and in hand		11,508	9,052
		-----	-----
Total current assets		68,603	63,252
		-----	-----
<b>Total assets</b>		<b>299,852</b>	<b>309,835</b>
		=====	=====
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		58,998	58,998
Reserves		26,963	27,540
Retained earnings		71,373	87,190
		-----	-----
Total capital and reserves attributable to owners of the Company		157,334	173,728
		-----	-----
Non-controlling interests		4,871	4,404
		-----	-----
<b>Total equity</b>		<b>162,205</b>	<b>178,132</b>
		-----	-----

## GO p.l.c

## Condensed Consolidated Interim Statement of Financial Position (continued)

As at 30 June 2010

	Notes	As at 30.06.10 €000	As at 31.12.09 €000
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings		69,000	70,000
Derivative financial instruments		1,945	1,057
Deferred tax liabilities		3,304	4,227
Provisions for pensions	5	3,982	4,158
		-----	-----
Total non-current liabilities		78,231	79,442
		-----	-----
<b>Current liabilities</b>			
Trade and other payables		43,353	41,871
Current tax liabilities		5,009	2,736
Borrowings		9,245	5,912
Provisions for pensions	5	1,809	1,742
		-----	-----
Total current liabilities		59,416	52,261
		-----	-----
<b>Total liabilities</b>		137,647	131,703
		-----	-----
<b>Total equity and liabilities</b>		299,852	309,835
		=====	=====

The notes on pages 12 to 22 are an integral part of these condensed consolidated interim financial statements.

The condensed consolidated interim financial statements set out on pages 4 to 22 were approved by the Board of Directors on 31 August 2010 and were signed on its behalf by:



Deepak S Padmanabhan  
Chairman



Michael Warrington  
Director

## GO p.l.c

## Condensed Consolidated Interim Income Statement

For the period 1 January 2010 to 30 June 2010

	Notes	Six months ended 30.06.10 €000	Six months Ended 30.06.09 (Restated) €000
Revenue		64,189	59,891
Cost of sales		(38,057)	(36,195)
		-----	-----
<b>Gross profit</b>		<b>26,132</b>	23,696
Administrative and other related expenses		(15,236)	(16,037)
Voluntary retirement costs		(92)	(7,257)
Movement in provisions for pensions	5	(18)	1,321
Impairment loss on non-operational receivables		-	(2,087)
Other income		690	471
Other expenses		(236)	(358)
		-----	-----
<b>Results from operations</b>		<b>11,240</b>	(251)
		-----	-----
Finance income		75	706
Finance costs		(1,340)	(1,217)
		-----	-----
<b>Net finance costs</b>		<b>(1,265)</b>	(511)
		-----	-----
Share of results of equity-accounted jointly-controlled entity	7	(7,033)	(3,725)
Adjustment to carrying amount of investment in jointly-controlled entity following capitalisation of interest free loan	7	(3,595)	-
		-----	-----
<b>Loss before income tax</b>		<b>(653)</b>	(4,487)
Income tax expense		(4,566)	(370)
		-----	-----
<b>Loss for the period</b>		<b>(5,219)</b>	(4,857)
		=====	=====
Attributable to:			
Owners of the Company		(5,686)	(4,982)
Non-controlling interests		467	125
		-----	-----
<b>Loss for the period</b>		<b>(5,219)</b>	(4,857)
		=====	=====
<b>Earnings per share (cents)</b>		<b>(5c6)</b>	(4c9)
		=====	=====

The notes on pages 12 to 22 are an integral part of these condensed consolidated interim financial statements.

## GO p.l.c

## Condensed Consolidated Interim Statement of Comprehensive Income

For the period 1 January 2010 to 30 June 2010

	Six months ended 30.06.10	Six months Ended 30.06.09 (Restated)
	€000	€000
<b>Loss for the period</b>	<b>(5,219)</b>	<b>(4,857)</b>
<b>Other comprehensive income</b>		
Change in fair value of derivative designated as hedging instrument in cash flow hedge	<b>(888)</b>	(644)
Other components	-	40
Income tax relating to other comprehensive income	<b>311</b>	225
	-----	-----
<b>Other comprehensive income for the period, net of tax</b>	<b>(577)</b>	<b>(379)</b>
	-----	-----
<b>Total comprehensive income for the period</b>	<b>(5,796)</b>	<b>(5,236)</b>
	=====	=====
Attributable to:		
Owners of the Company	<b>(6,263)</b>	(5,361)
Non-controlling interests	<b>467</b>	125
	-----	-----
<b>Total comprehensive income for the period</b>	<b>(5,796)</b>	<b>(5,236)</b>
	=====	=====

The notes on pages 12 to 22 are an integral part of these condensed consolidated interim financial statements.

**Condensed Consolidated Statement of Changes in Equity**  
**For the period 1 January 2010 to 30 June 2010**

	Attributable to owners of the Company							Total	Non-controlling interests	Total equity
	Share capital	Fair value reserve	Other reserve	Insurance contingency reserve	Revaluation reserve	Hedging reserve	Retained earnings			
	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000
Balance at 1 January 2009 (as restated)	58,998	-	3,722	698	19,235	-	110,566	193,219	-	193,219
<b>Comprehensive income</b>										
Profit or loss (as restated)	-	-	-	-	-	-	(4,982)	(4,982)	125	(4,857)
Other comprehensive income:										
Cash flow hedges, net of tax	-	-	-	-	-	(419)	-	(419)	-	(419)
Transfer of unrealised gains from retained earnings	-	-	636	-	-	-	(636)	-	-	-
Reclassification of fair value movements of available-for-sale investment	-	595	-	-	-	-	(595)	-	-	-
Share of other comprehensive income of jointly-controlled entity	-	-	25	-	-	-	-	25	-	25
Other transfers	-	-	-	-	(27)	-	42	15	-	15
Total other comprehensive income	-	595	661	-	(27)	(419)	(1,189)	(379)	-	(379)
Total comprehensive income for the period	-	595	661	-	(27)	(419)	(6,171)	(5,361)	125	(5,236)
<b>Transactions with owners in their capacity as owners</b>										
Contributions by and distributions to owners:										
Dividends to equity holders	-	-	-	-	-	-	(12,157)	(12,157)	-	(12,157)
Changes in ownership interests in subsidiaries that do not result in a loss of control:										
Non-controlling interest arising on business combination	-	-	-	-	-	-	-	-	3,897	3,897
Total transactions with owners	-	-	-	-	-	-	(12,157)	(12,157)	3,897	(8,260)
Balance at 30 June 2009	58,998	595	4,383	698	19,208	(419)	92,238	175,701	4,022	179,723

**Condensed Consolidated Statement of Changes in Equity (continued)**

For the period 1 January 2010 to 30 June 2010

	Attributable to owners of the Company							Total €000	Non- controlling interests €000	Total equity €000
	Share capital €000	Fair value reserve €000	Other reserves €000	Insurance contingency reserve €000	Revaluation reserve €000	Hedging reserve €000	Retained earnings €000			
Balance at 1 January 2010	58,998	503	7,730	814	19,180	(687)	87,190	173,728	4,404	178,132
<b>Comprehensive income</b>										
Profit or loss	-	-	-	-	-	-	(5,686)	(5,686)	467	(5,219)
Other comprehensive income:										
Cash flow hedges, net of tax	-	-	-	-	-	(577)	-	(577)	-	(577)
Total other comprehensive income	-	-	-	-	-	(577)	-	(577)	-	(577)
Total comprehensive income for the period	-	-	-	-	-	(577)	(5,686)	(6,263)	467	(5,796)
<b>Transactions with owners in their capacity as owners</b>										
Contributions by and distributions to owners:										
Dividends to equity holders	-	-	-	-	-	-	(10,131)	(10,131)	-	(10,131)
Total transactions with owners	-	-	-	-	-	-	(10,131)	(10,131)	-	(10,131)
Balance at 30 June 2010	58,998	503	7,730	814	19,180	(1,264)	71,373	157,334	4,871	162,205

## GO p.l.c

**Condensed Consolidated Interim Statement of Cash Flows**

For the period 1 January 2010 to 30 June 2010

	<b>Six months ended 30.06.10 €000</b>	Six months ended 30.06.09 (Restated) €000
<b>Cash flows from operating activities</b>		
Loss for the period	<b>(5,219)</b>	(4,857)
Adjustments for:		
Income tax expense	<b>4,566</b>	370
Depreciation, amortisation and write-downs	<b>11,783</b>	11,724
Net finance costs	<b>1,265</b>	511
Share of loss of equity-accounted jointly-controlled entity	<b>7,033</b>	3,725
Adjustment to carrying amount of investment in jointly-controlled entity following capitalisation of interest free loan	<b>3,595</b>	-
Net (gain)/loss on disposal of plant and equipment	<b>(11)</b>	178
Net increase in provisions and write-offs relating to receivables	<b>1,028</b>	2,485
Voluntary retirement costs	<b>92</b>	7,257
Movement in provisions for pensions	<b>18</b>	(1,321)
Reversal of liabilities written back	<b>5</b>	-
	-----	-----
	<b>24,155</b>	20,072
Change in inventories	<b>221</b>	534
Change in trade and other receivables	<b>(10,272)</b>	945
Change in trade and other payables	<b>5,578</b>	(4,677)
	-----	-----
Cash generated from operations	<b>19,682</b>	16,874
Interest received	<b>2</b>	2
Interest paid on bank overdrafts	<b>(96)</b>	(8)
Payments in relation to pension obligations	<b>(127)</b>	-
Net current taxation paid	<b>(1,831)</b>	(131)
VAT refund	<b>3,435</b>	3,435
Payments under voluntary retirement scheme	<b>(741)</b>	(4,796)
	-----	-----
<b>Net cash from operating activities</b>	<b>20,324</b>	15,376
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## GO p.l.c

**Condensed Consolidated Interim Statement of Cash Flows** (continued)

For the period 1 January 2010 to 30 June 2010

	<b>Six months ended 30.06.10</b>	Six months ended 30.06.09 (Restated)
<b>Note</b>	<b>€000</b>	€000
<b>Cash flows from investing activities</b>		
Payments to acquire property, plant and equipment and intangible assets	<b>(6,391)</b>	(8,239)
Payments to acquire investment in subsidiary	-	(9,439)
Receipts from disposal of property, plant and equipment	<b>11</b>	1
Payments to acquire investment in jointly-controlled entity	<b>(2,343)</b>	-
Advances to jointly-controlled entity	-	(5,344)
Repayments received in relation to advances to jointly-controlled entity	-	2,563
	<b>(8,723)</b>	(20,458)
<b>Cash flows from financing activities</b>		
Repayments of borrowings	<b>(1,000)</b>	-
Dividends paid	<b>(10,110)</b>	(12,171)
Loan interest paid	<b>(1,456)</b>	(274)
	<b>(12,566)</b>	(12,445)
<b>Net decrease in cash and cash equivalents</b>		
	<b>(965)</b>	(17,527)
Cash and cash equivalents at beginning of period	<b>4,992</b>	5,390
Cash and cash equivalents acquired on acquisition of subsidiary	-	1,611
Effect of exchange rate fluctuations on cash held	<b>88</b>	(30)
Movement in cash pledged as guarantees	<b>57</b>	(54)
<b>Cash and cash equivalents at end of period</b>	<b>4,172</b>	(10,610)
8		

# GO p.l.c

## Notes to the Condensed Consolidated Interim Financial Statements

For the period 1 January 2010 to 30 June 2010

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### 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 2010 and for the six-month period then ended comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in Forghendo Limited (the “jointly-controlled entity”), a company registered in Cyprus. The Group operates in Malta and is primarily involved in the provision of telecommunications services (both fixed and mobile), internet related services, digital terrestrial television in Malta and in the operation of data centres. Forghendo Limited currently holds an investment in an associate (see note 7) registered in Greece which provides fixed-line telephony, broadband services and satellite TV in Greece.

The consolidated financial statements of the Group as at and for the year ended 31 December 2009 are available upon request from the Company’s registered office at Spencer Hill, Marsa. They are also available for viewing on its website at [www.go.com.mt](http://www.go.com.mt).

This condensed consolidated interim financial information was approved for issue by the Board of Directors on 31 August 2010.

This consolidated interim financial information has been reviewed, not audited 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 for the six-month period ended 30 June 2010 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 interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2009, which have been prepared in accordance with IFRSs as adopted by the EU.

### 3 Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2009, as described in those annual financial statements.

*(a) Standards, interpretations and amendments to published standards effective in 2010*

In 2010, the Group adopted revised standards, amendments and interpretations to existing standards that are mandatory for the Group’s accounting period beginning on 1 January 2010. The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in changes to the Group’s accounting policies impacting the Group’s financial performance and position.

## GO p.l.c

**Notes to the Condensed Consolidated Interim Financial Statements****For the period 1 January 2010 to 30 June 2010**

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**3 Accounting policies (continued)**

In particular, the revised requirements of IFRS 3 (revised), 'Business combinations', and consequential amendments to IAS 27, 'Consolidated and separate financial statements', IAS 28, 'Investments in associates', and IAS 31, 'Interests in joint ventures', did not impact this interim financial information since the Group did not effect business combinations for which the acquisition date is on or after 1 January 2010. Also, the requirements of IAS 27 (revised), 'Consolidated and separate financial statements' in relation to accounting for non-controlling interests and loss of control have not affected this interim financial information.

*(b) Standards, interpretations and amendments to published standards that are not yet effective*

Certain new standards, amendments and interpretations to existing standards which are mandatory for accounting periods beginning after 1 January 2010 have been published by the date of authorisation for issue of this financial information. The Company's directors are of the opinion that there are no requirements that will have a possible significant impact on the Company's consolidated financial statements in the period of initial application.

*(c) Changes in accounting policies in relation to financial information for the six-month period ended 30 June 2009*

During the year ended 31 December 2009 subsequent to the authorisation for issue of the interim financial information for the six-month period ended 30 June 2009, the Group reviewed and changed its accounting policies with respect to the following matters. Accordingly the comparative information in this interim financial information in relation to the statements of income, comprehensive income and cash flows had to be restated.

*(i) Accounting for free customer premises equipment and free TV installation service*

The Group reviewed and changed its accounting policies with respect to customer premises equipment (e.g. set-top boxes and modems) and TV installations provided for free to subscribers. The effect of this voluntary change in accounting policy is that the Group recognises the cost of benefits in kind provided directly to the subscriber as an asset, if it is probable that economic benefits will be derived from the transaction. These costs are recognised in profit or loss as reduction in revenue over the shorter of the customer retention period and the term of the specific binding sale arrangement entered into with subscribers.

*(ii) Accounting for free credits and subsidised mobile handsets*

The Group reviewed and changed its accounting policy with respect to equipment (e.g. a mobile handset) or discount (e.g. free credit) given by the Group as part of a two-year subscriber agreement. The effects of this voluntary change in accounting policy are such that revenue from separable delivered components is recognised upon satisfaction of specific criteria and is measured at fair value using the relative fair value method. The fair value attributed to an undelivered phone service considers an estimated period that is the shorter of the customer retention period and the contract period. In the case of components that cannot be separated from the phone service (such as free credits), the fair value of these components is recognised over the estimated period of the undelivered phone service and netted from related phone service revenue.

## GO p.l.c

## Notes to the Condensed Consolidated Interim Financial Statements

For the period 1 January 2010 to 30 June 2010

**3 Accounting policies (continued)**

The effects of these changes in accounting policies are as follows:

	<b>As originally stated</b>	<b>Restatements</b>	<b>As restated</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>
<i>Effect on amounts for the period ended 30 June 2009:</i>			
Income Statement:			
Revenue	61,122	(1,230)	59,892
Cost of sales	38,311	(2,116)	36,195
Gross profit	22,811	885	23,696
Results from operations	(1,136)	885	(251)
Loss before income tax	(5,372)	885	(4,487)
Income tax expense	(60)	(310)	(370)
Loss for the period	(5,432)	575	(4,857)

As a result of these changes in accounting policies the retained earnings as at 1 January 2009 have been restated from €108.63 million to €110.57 million. The comparative figures in the statement of cash flows reflect the restatements highlighted in the table above with respect to loss for the period and income tax expense with a corresponding restatement in the movement in trade and other receivables.

*(d) Impairment reviews of the carrying amounts of the Group's cash-generating units and its investment in the jointly-controlled entity*

For the purposes of impairment testing, the recoverable amounts of the Group's cash-generating units and its investment in the jointly-controlled entity, Forgado Limited, are determined on the basis of value in use calculations. At 30 June 2010, the estimated recoverable amounts are higher than carrying amounts. However in view of the significant estimates and judgements inherent in these value in use computations, particularly in relation to the Group's interest in the jointly-controlled entity, the Group adopts a policy whereby it continuously reviews and assesses these calculations. The significant estimates and judgements relating to value in use principally comprise: discount rate, including the relevant country risk premium and other risk factors underlying the cash flow projections; number of subscribers and related revenues; trends in monthly average revenue per user (ARPU); and projected EBITDA levels together with long-term growth rates.

# GO p.l.c

## Notes to the Condensed Consolidated Interim Financial Statements

For the period 1 January 2010 to 30 June 2010

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### 4 Operating segments

#### *(a) Description of segments*

The Group has three reporting segments, as described below, which are the Group's strategic business units. The strategic business units offer different services, and are managed separately because they require different technology and marketing strategies. 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:

*Fixed Communication Services (Fixed-line)* comprise the Group's fixed-line telephony services, digital television services, sale of broadband, internet services and other business communication solutions.

*Mobile Communication Services (Mobile)* comprise the Group's mobile telephony services and call centre operations.

*Data Centre Services (Data)* comprise the Group's data centre activities including co-location services.

The Group's internal reporting to the Board of Directors and senior executives is analysed according to the above segments. The segment results are based on results from operations adjusted for attributable finance costs.



## GO p.l.c

## Notes to the Condensed Consolidated Interim Financial Statements

For the period 1 January 2010 to 30 June 2010

**4 Operating segments (continued)***(b) Information about reportable segments for the six-month periods ended 30 June (continued)***Reconciliation of reportable segment results**

	<b>Six months ended 30.06.10 €000</b>	Six months ended 30.06.09 (Restated) €000
Total results for reportable segments	<b>12,492</b>	(554)
Elimination of inter-segment profits	<b>(2,517)</b>	(208)
Share of loss of equity-accounted jointly-controlled entity	<b>(7,033)</b>	(3,725)
Adjustment to carrying amount of investment in jointly-controlled entity attributable to capitalisation of interest free loan	<b>(3,595)</b>	-
	-----	-----
Loss before income tax	<b>(653)</b>	(4,487)
	=====	=====

**5 Provisions for pensions**

Following a judgement by the Court of Appeal on 7 July 2008, GO p.l.c. was required to set up a pension scheme in favour of ex-Cable and Wireless employees. Subsequently the Company also received other claims for pension rights from a number of employees and former employees. GO p.l.c. submitted an application to the MFSA as the pensions regulator detailing the measures planned by the Group to implement the scheme. Following the issue of the Special Funds (Regulation) Act (Retirement Schemes Exemption) Regulations, 2009 by the MFSA on 5 June 2009, 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. During the year ended 31 December 2009, 117 beneficiaries took up this offer. After considering legal advice obtained the Company estimated that its obligations towards the remaining potential beneficiaries amounted to €5.90 million as at 31 December 2009. No significant developments have occurred in the subsequent six-month period and accordingly the amount of the provisions as at 30 June 2010 has remained relatively unchanged.

## GO p.l.c

## Notes to the Condensed Consolidated Interim Financial Statements

For the period 1 January 2010 to 30 June 2010

**6 Property, plant and equipment***(a) Acquisitions and disposals*

During the six months ended 30 June 2010, the Group acquired assets, primarily plant and equipment, with a cost of €4.66 million (six months ended 30 June 2009: €3.42 million).

*(b) Capital commitments*

The following are capital commitments of the Group:

	<b>30.06.10</b>	31.12.09
	<b>€000</b>	€000
Contracted for	<b>7,620</b>	1,624
Authorised but not yet contracted for	<b>56</b>	1,835
	<b>-----</b>	-----
	<b>7,676</b>	3,459
	<b>=====</b>	=====

**7 Investment in jointly-controlled entity***(a) Equity investment*

The Group has a 50% interest in Forgado Limited, the jointly-controlled entity, which in turn has an investment in an associate, Forthnet S.A.. As at 30 June 2010, the ownership interest of Forgado Limited in Forthnet S.A. amounted to 39.88% (31 December 2009: 37.10%).

On 9 March 2010, the Company and its immediate parent, as the venturers in Forgado Limited, approved the issue of 200,000 class "A" ordinary shares and 200,000 class "B" ordinary shares in the jointly-controlled entity to the Company and the immediate parent respectively. These shares were all issued at €184.62 per share and were paid by capitalisation of loans receivable from the jointly-controlled entity. The related adjustments to the carrying amount of the investment in Forgado Limited had already been reflected in the financial statements for the year ended 31 December 2009.

The changes in the carrying amount of the jointly-controlled entity is due to the share of results of the entity as a result of equity accounting and to an adjustment to the carrying amount of the investment attributable to the capitalisation of an interest free loan. The latter adjustment was deemed necessary to reverse the impact of prior year unwinding of the discount on the face value of the capitalised loan.

## GO p.l.c

## Notes to the Condensed Consolidated Interim Financial Statements

For the period 1 January 2010 to 30 June 2010

**7 Investment in jointly-controlled entity (continued)***(b) Loans receivable*

The Company advanced loans to the jointly-controlled entity subject to the following terms and conditions:

	Interest %	Repayable by	30.06.10 €000	31.12.09 €000
Loan 2	4.75 - 6.5	June 2013	<b>11,070</b>	8,727
Loan 3	4.75 - 6.5	August 2013	<b>54,882</b>	54,882
Loan 4	6 month Euribor + 2	July 2013	<b>566</b>	566
Loan 5	4.75	January 2014	<b>4,761</b>	1,701
			-----	-----
			<b>71,279</b> =====	65,876 =====

The above loans, although not classified as equity investments, are considered to be in substance part of the net investment in the jointly-controlled entity. The increases are attributable to further advances and capitalised interest amounts.

## GO p.l.c

## Notes to the Condensed Consolidated Interim Financial Statements

For the period 1 January 2010 to 30 June 2010

**7 Investment in jointly-controlled entity (continued)***(c) Share of results*

The following represents the Group's share of the assets and liabilities of the jointly-controlled entity as at 30 June 2010 and 31 December 2009, respectively, together with the Group's share of the jointly-controlled entity's results for the six-month periods ended 30 June 2010 and 2009:

	<b>30.06.10</b>	31.12.09
	<b>€000</b>	€000
<b>Assets</b>		
Non-current assets	<b>85,767</b>	90,797
	-----	-----
<b>Total assets</b>	<b>85,767</b>	90,797
	=====	=====
<b>Liabilities</b>		
Non-current liabilities	<b>71,167</b>	95,877
Current liabilities	<b>2,657</b>	3,984
	-----	-----
<b>Total liabilities</b>	<b>73,824</b>	99,861
	=====	=====
	<b>Six months</b>	Six months
	<b>ended</b>	ended
	<b>30.06.10</b>	30.06.09
	<b>€000</b>	€000
<b>Share of loss recognised in profit or loss</b>		
Professional fees	<b>(23)</b>	(20)
Finance income	<b>9</b>	27
Share of loss of associate (Forthnet S.A.) recognised in profit or loss of jointly controlled entity	<b>(7,019)</b>	(3,732)
	-----	-----
	<b>(7,033)</b>	(3,725)
	=====	=====
<b>Share of other comprehensive income</b>		
Share of change in associate's reserves	-	25
	=====	=====

# GO p.l.c

## Notes to the Condensed Consolidated Interim Financial Statements

For the period 1 January 2010 to 30 June 2010

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### 8 Cash and cash equivalents

The Group's cash and cash equivalents as at 30 June 2010 reflect a significant increase compared to 30 June 2009 in view of the significant reduction in the Group's liabilities under the general banking facilities.

### 9 Contingencies

Except as described below, there were no major changes in the contingencies of the Company, its subsidiaries and the associate of the jointly-controlled entity from those disclosed in the consolidated financial statements of the Group for the year ended 31 December 2009.

The Group's share of claims for compensation by third parties in favour of the associate of the jointly-controlled entity has increased to €59.94 million (31 December 2009: €55.59 million).

The Group's share of claims by third parties against the associate of the jointly-controlled entity and its subsidiaries has decreased to €6.83 million (31 December 2009: €7.93 million).

### 10 Related parties

#### *(a) Parent and ultimate controlling party*

The Company's ultimate controlling party is Dubai Holding LLC. The immediate parent of the Company, with a 60% holding, is Emirates International Telecommunications (Malta) Limited, a company which forms part of the same group of companies which Dubai Holding LLC controls.

#### *(b) Related party transactions*

Consistent with what was reported in the audited financial statements for the year ended 31 December 2009, the Group has a related party relationship with its ultimate controlling party and entities controlled by it (see below); key management personnel together with close members of their family and entities controlled by them; and the jointly-controlled entity.

## GO p.l.c

## Notes to the Condensed Consolidated Interim Financial Statements

For the period 1 January 2010 to 30 June 2010

**10 Related parties (continued)**

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

	Six months <b>ended</b> <b>30.06.10</b> <b>€000</b>	Six months ended 30.06.09 €000
<b>Ultimate controlling party and entities controlled by it</b>		
Services provided to	53	53
Services provided by	1,152	1,039
Payments on behalf of the Company by	40	84
Dividends paid to	6,079	7,294
	=====	=====
<b>Jointly-controlled entity</b>		
Finance interest receivable from	1,648	1,485
Loans advanced to	2,343	5,344
Amounts paid on behalf of	52	308
Repayments of loans advanced to	-	2,562
Capitalisation of loan interest	3,060	1,716
	=====	=====

There were no loans to directors during the current and comparative six-month periods.

*(c) Related party balances*

The principal balances with related parties are analysed as follows:

	<b>30.06.10</b> <b>€000</b>	31.12.09 €000
<b>Ultimate controlling party and entities controlled by it</b>		
Amount receivable from	74	612
Amount payable to	447	17
	=====	=====
<b>Jointly-controlled entity</b>		
Amount receivable from	2,620	1,665
Loans receivable from	71,279	94,465
	=====	=====

GO p.l.c.

**Statement pursuant to Listing Rule 9.44k.3**

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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 2010, 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 9.44q and 9.44r.



Deepak S Padmanabhan  
Chairman

31 August 2010

**Independent Auditor's Report**  
**On Review of Condensed Consolidated Interim Financial Information**  
**To the Board of Directors of GO p.l.c.**

*Introduction*

We have reviewed the accompanying condensed consolidated statement of financial position of GO p.l.c. as at 30 June 2010, 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 the 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 interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 'Interim Financial Reporting'.

**PRICEWATERHOUSECOOPERS** 

167 Merchants Street  
Valletta  
Malta



Simon Flynn  
Partner

31 August 2010