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

For the Year Ended and at 31 December

This Statement is published pursuant to The Malta Financial Services Authority Listing Rules Chapter 5 and Article 4(2)(b) of the Prevention of Financial Markets Abuse (Disclosure and Notification) Regulations, 2005.

The financial information has been extracted from GO p.l.c.'s Annual Report and Consolidated Financial Statements for the year ended 31 December 2011 as approved by the Board of Directors on 16 March 2012, which have been audited by PricewaterhouseCoopers. These financial statements will be laid before the members at the general meeting to be held on 9 May 2012.

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December

	The Group		The Company	
	2011	2010	**2011**	**2010**
	€000	€000	**€000**	€000
ASSETS				
Non-current assets				
Property, plant and equipment	**120,789**	120,752	**79,560**	88,897
Investment property	**1,140**	1,219	**1,140**	1,219
Intangible assets	**26,347**	31,426	**11,679**	13,806
Investments in subsidiaries	**-**	-	**27,233**	27,260
Investment in jointly-controlled entity	**-**	5,275	**-**	5,275
Loans receivable from subsidiaries	**-**	-	**21,796**	142
Loans receivable from jointly-controlled entity	**3,625**	56,583	**3,625**	56,583
Other investments and related instruments	**100**	1,347	**100**	603
Deferred tax assets	**5,670**	3,330	**6,043**	5,091
Trade and other receivables	**1,018**	1,335	**458**	953
Total non-current assets	**158,689**	221,267	**151,634**	199,829
Current assets				
Inventories	**8,335**	7,856	**7,101**	6,747
Trade and other receivables	**35,314**	43,665	**37,419**	46,743
Loans receivable from subsidiaries	**-**	-	**720**	2,691
Current tax assets	**3,393**	1,872	**1,865**	1,865
Cash and cash equivalents	**9,302**	11,228	**870**	1,312
Total current assets	**56,344**	64,621	**47,975**	59,358
Total assets	**215,033**	285,888	**199,609**	259,187
EQUITY AND LIABILITIES				
EQUITY				
Share capital	**58,998**	58,998	**58,998**	58,998
Reserves	**15,499**	20,047	**4,849**	4,408
Retained earnings	**8,863**	65,043	**28,144**	77,326
Total capital and reserves attributable to owners of the Company	**83,360**	144,088	**91,991**	140,732
Non-controlling interests	**-**	5,391	**-**	-
Total equity	**83,360**	149,479	**91,991**	140,732
LIABILITIES				
Non-current liabilities				
Borrowings	**66,000**	68,000	**66,000**	68,000
Derivative financial instruments	**1,483**	1,335	**1,483**	1,335
Deferred tax liabilities	**2,873**	979	**-**	-
Trade and other payables	**2,450**	3,753	**2,450**	3,753
Provisions for pensions	**3,070**	3,915	**3,070**	3,915
Total non-current liabilities	**75,876**	77,982	**73,003**	77,003
Current liabilities				
Trade and other payables	**49,790**	50,215	**29,229**	35,160
Current tax liabilities	**208**	1,294	**-**	-
Borrowings	**3,142**	5,025	**2,729**	4,399
Provisions for pensions	**2,657**	1,893	**2,657**	1,893
Total current liabilities	**55,797**	58,427	**34,615**	41,452
Total liabilities	**131,673**	136,409	**107,618**	118,455
Total equity and liabilities	**215,033**	285,888	**199,609**	259,187

The financial statements were approved and authorised for issue by the Board of Directors on 16 March 2012 and signed on its behalf by:

Deepak S. Padmanabhan
Chairman

Michael Warrington
Director

INCOME STATEMENTS

For the Year Ended 31 December

	The Group		The Company	
	2011	2010	**2011**	2010
	€000	€000	**€000**	€000
Revenue	**131,570**	132,324	**79,128**	78,320
Cost of sales	**(81,562)**	(78,879)	**(58,212)**	(60,799)
Gross profit	**50,008**	53,445	**20,916**	17,521
Administrative and other related expenses	**(32,485)**	(31,468)	**(22,500)**	(16,690)
Other income	**1,171**	1,163	**1,160**	1,122
Other expenses	**(257)**	(331)	**(218)**	(243)
Operating profit/(loss)	**18,437**	22,809	**(642)**	1,710
Analysed as follows:				
Operating profit before non-recurring items	**23,650**	23,131	**4,571**	2,032
Non-recurring items presented within 'Administrative and other related expenses'	**(5,213)**	(322)	**(5,213)**	(322)
Operating profit after non-recurring items	**18,437**	22,809	**(642)**	1,710
Finance income	**412**	342	**34,833**	24,437
Finance costs	**(2,763)**	(2,719)	**(2,745)**	(2,680)
Adjustments arising on fair valuation of land and buildings	**1,035**	(1,191)	**(98)**	(1,191)
Impairment charge on investment in subsidiary	-	-	**(27)**	-
Losses attributable to investment in jointly-controlled entity	**(62,313)**	(28,315)	**(65,205)**	(32,881)
Loss before tax	(45,192)	(9,074)	**(33,884)**	(10,605)
Tax expense	(5,259)	(9,096)	**(10,117)**	(7,195)
Loss for the year	**(50,451)**	(18,170)	**(44,001)**	(17,800)
Attributable to:				
Owners of the Company	**(50,999)**	(19,157)	**(44,001)**	(17,800)
Non-controlling interests	**548**	987	**-**	-
Loss for the year	**(50,451)**	(18,170)	**(44,001)**	(17,800)
Earnings per share (euro cents)	**(50c3)**	(18c9)	**(43c4)**	(17c6)

STATEMENTS OF COMPREHENSIVE INCOME

For the Year Ended 31 December

	The Group		The Company	
	2011	2010	**2011**	2010
	€000	€000	**€000**	€000
Loss for the year	**(50,451)**	(18,170)	**(44,001)**	(17,800)
Other comprehensive income:				
Change in fair value of derivative designated as hedging instrument in cash flow hedge	**(148)**	(278)	**(148)**	(278)
Surplus/impairment charges arising on revaluation of land and buildings	**(157)**	(938)	**1,049**	(207)
Share of other comprehensive income of jointly-controlled entity	**-**	170	**-**	-
Losses from changes in fair value of available-for-sale financial assets	**(503)**	-	**(503)**	-
Income tax relating to components of other comprehensive income	**(892)**	694	**(73)**	(771)
Total other comprehensive income for the year, net of tax	**(1,700)**	(352)	**325**	(1,256)
Total comprehensive income for the year	**(52,151)**	(18,522)	**(43,676)**	(19,056)
Attributable to:				
Owners of the Company	**(52,699)**	(19,509)	**(43,676)**	(19,056)
Non-controlling interests	**548**	987	**-**	-
Total comprehensive income for the year	**(52,151)**	(18,522)	**(43,676)**	(19,056)

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

For the Year Ended and at 31 December

STATEMENTS OF CHANGES IN EQUITY

For the Year Ended 31 December

The Group

	Attributable to owners of the Company					
	Share capital €000	Reserves €000	Retained earnings €000	Total €000	Non-controlling interests €000	Total equity €000
Balance at 1 January 2010	58,998	20,283	94,447	173,728	4,404	178,132
Comprehensive income						
Loss for the year	-	-	(19,157)	(19,157)	987	(18,170)
Other comprehensive income:						
Cash flow hedge, net of deferred tax	-	(181)	-	(181)	-	(181)
Impairment charges in respect of revalued land and buildings	-	(938)	-	(938)	-	(938)
Movements in deferred tax liability on revalued land and buildings determined on the basis applicable to capital gains	-	597	-	597	-	597
Share of other comprehensive income of jointly-controlled entity	-	170	-	170	-	170
Transfer from retained earnings in relation to insurance contingency reserve	-	116	(116)	-	-	-
Total other comprehensive income	-	(236)	(116)	(352)	-	(352)
Total comprehensive income	-	(236)	(19,273)	(19,509)	987	(18,522)
Transactions with owners in their capacity as owners						
Dividends to equity holders	-	-	(10,131)	(10,131)	-	(10,131)
Total transactions with owners	-	-	(10,131)	(10,131)	-	(10,131)
Balance at 31 December 2010	**58,998**	**20,047**	**65,043**	**144,088**	**5,391**	**149,479**
Balance at 1 January 2011	58,998	20,047	65,043	144,088	5,391	149,479
Comprehensive income						
Loss for the year	-	-	(50,999)	(50,999)	548	(50,451)
Other comprehensive income:						
Cash flow hedge, net of deferred tax	-	(96)	-	(96)	-	(96)
Impairment charges in respect of revalued land and buildings	-	(157)	-	(157)	-	(157)
Movements in deferred tax liability on revalued land and buildings determined on the basis applicable to capital gains	-	(944)	-	(944)	-	(944)
Losses from changes in fair value of available-for-sale financial assets	-	(503)	-	(503)	-	(503)
Transfer from retained earnings in relation to insurance contingency reserve	-	116	(116)	-	-	-
Total other comprehensive Income	-	(1,584)	(116)	(1,700)	-	(1,700)
Total comprehensive income	-	(1,584)	(51,115)	(52,699)	548	(52,151)
Transactions with owners in their capacity as owners						
Acquisition of non-controlling interest	-	(2,964)	-	(2,964)	(5,939)	(8,903)
Dividends to equity holders	-	-	(5,065)	(5,065)	-	(5,065)
Total transactions with owners	-	(2,964)	(5,065)	(8,029)	(5,939)	(13,968)
Balance at 31 December 2011	**58,998**	**15,499**	**8,863**	**83,360**	**-**	**83,360**

The Company

	Share capital €000	Reserves €000	Retained earnings €000	Total equity €000
Balance at 1 January 2010	58,998	5,548	105,373	169,919
Comprehensive income				
Loss for the year	-	-	(17,800)	(17,800)
Other comprehensive income:				
Cash flow hedge, net of deferred tax	-	(181)	-	(181)
Impairment charges in respect of revalued land and buildings	-	(207)	-	(207)
Movement in deferred tax liability on revalued land and buildings determined on the basis applicable to capital gains	-	(868)	-	(868)
Transfer from retained earnings in relation to insurance contingency reserve	-	116	(116)	-
Total other comprehensive income	-	(1,140)	(116)	(1,256)
Total comprehensive income	-	(1,140)	(17,916)	(19,056)
Transactions with owners in their capacity as owners				
Dividends to equity holders	-	-	(10,131)	(10,131
Total transactions with owners	-	-	(10,131)	(10,131)
Balance at 31 December 2010	**58,998**	**4,408**	**77,326**	**140,732**
Balance at 1 January 2011	58,998	4,408	77,326	140,732
Comprehensive income				
Loss for the year	-	-	(44,001)	(44,001)
Other comprehensive income:				
Cash flow hedge, net of deferred tax	-	(96)	-	(96)
Surplus arsing on revaluation of land and buildings	-	1,049	-	1,049
Movement in deferred tax liability on revalued land and buildings determined on the basis applicable to capital gains	-	(125)	-	(125)
Losses from changes in fair value of available-for-sale financial assets	-	(503)	-	(503)
Transfer from retained earnings in relation to insurance contingency reserve	-	116	(116)	-
Transfer of surplus upon realisation through disposal of revalued land and buildings	-	(530)	-	(530)
Deferred tax on realisation of surplus through disposal of revalued land and buildings	-	530	-	530
Total other comprehensive income	-	441	(116)	325
Total comprehensive income	-	441	(44,117)	(43,676)
Transactions with owners in their capacity as owners				
Dividends to equity holders	-	-	(5,065)	(5,065)
Total transactions with owners	-	-	(5,065)	(5,065)
Balance at 31 December 2011	**58,998**	**4,849**	**28,144**	**91,991**

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

For the Year Ended and at 31 December

STATEMENTS OF CASH FLOWS

For the Year Ended 31 December

	The Group		The Company	
	2011	2010	**2011**	2010
	€000	€000	**€000**	€000
Cash flows from operating activities				
Cash generated from operations	**49,575**	51,547	**32,167**	15,915
Interest received	**109**	104	**40**	82
Interest paid on bank overdrafts	**(82)**	(143)	**(67)**	(106)
Net taxation paid	**(9,182)**	(10,616)	**(66)**	(1,328)
Payments under voluntary retirement scheme	**(2,208)**	(973)	**(2,208)**	(973)
Payments in relation to pension obligations	**(3,086)**	(150)	**(3,086)**	(150)
VAT refund received	**-**	3,414	**-**	3,371
Net cash from operating activities	**35,126**	43,183	**26,780**	16,811
Cash flows from investing activities				
Payments to acquire property, plant and equipment and intangible assets	**(17,772)**	(22,228)	**(14,466)**	(13,237)
Payment to acquire non-controlling interests in subsidiary	**(8,159)**	-	**-**	(50)
Dividends received	**-**	-	**14,400**	12,250
Advances to jointly-controlled entity	**(322)**	(3,254)	**-**	(3,254)
Repayments received in relation to advances to jointly-controlled entity	**694**	-	**372**	-
Advances to subsidiaries	**-**	-	**(16,197)**	-
Net cash used in investing activities	**(25,559)**	(25,482)	**(15,891)**	(4,291)
Cash flows from financing activities				
Repayments of bank loans	**(2,000)**	(2,000)	**(2,000)**	(2,000)
Dividends paid	**(5,068)**	(10,110)	**(5,068)**	(10,110)
Loan interest paid	**(2,623)**	(2,517)	**(2,623)**	(2,517)
Net cash used in financing activities	**(9,691)**	(14,627)	**(9,691)**	(14,627)
Net movements in cash and cash equivalents	**(124)**	3,074	**1,198**	(2,107)
Cash and cash equivalents at beginning of year	**8,109**	4,992	**(1,133)**	937
Exchange gains on cash and cash equivalents	**81**	97	**30**	43
Movement in cash pledged as guarantees	**(746)**	(54)	**(81)**	(6)
Cash and cash equivalents at end of year	**7,320**	8,109	**14**	(1,133)

REVIEW OF GROUP OPERATIONS

The Board of Directors have considered the impact that events taking place in Greece have had on the carrying value of GO's investment in Forgendo Limited. This impact has significantly reduced the reserves of the Group. The Directors consider it to be in the Group's best interest to ensure that it rebuilds an adequate level of reserves. The Directors recommend that at the forthcoming Annual General Meeting to be held on 9 May 2012, the shareholders approve that no dividends are paid.

Performance

The results for the year represent the combination of a steady performance of the Maltese operations which continue to deliver a healthy level of operating profit and the material negative impact of international economic events on the company's investment in Forgendo Limited. Forgendo is jointly owned with the company's immediate parent on a 50/50 basis and currently holds 41.27% of the issued share capital of Forthnet S.A., a telecommunications company operating primarily in Greece.

2011 has been characterised by financial uncertainties substantially impacting the Eurozone in general and a number of countries within the Eurozone in particular. Greece is one of the worst impacted countries. Over the past year, Greece has been implementing extensive restructuring of its economy to address its economic crisis. This economic climate has seriously impacted Forthnet. Despite an acceptable operating performance, Forthnet's results include a charge of €128.5 million representing an impairment charge attributable to goodwill arising from Forthnet's investment in Nova, its TV arm. The results of Forthnet have significantly diluted GO's carrying value of its investment in Forgendo. Furthermore, given the volatility currently prevailing in Greece, the Directors no longer consider it prudent to retain a value based on a value in use assessment of Forthnet and as of December 2011, the carrying value of this investment reflects the share price of Forthnet as quoted on the Athens Stock Exchange at the reporting date. These events lead GO to recognise a charge of €62.3 million representing a write-down in the value of its shareholding in and amounts receivable from Forgendo as at December 2011 to €3.6 million.

GO is reporting an operating profit of €18.4 million. Although this represents a decline of €4.4 million when compared to 2010, if one excludes one-time charges relating to pension obligations and voluntary retirement schemes, GO achieved growth of 2.2% in its normalised operating profit from €23.1 million in 2010 to €23.7 million this financial year. Normalised EBITDA amounted to €51.4 million, an increase of €2.3 million (4.6%) over the comparative period.

The telecommunications market continues to be characterised by a tough competitive environment and extensive regulation, which have substantially impacted the Group's mobile business. In spite of these conditions and a continued challenging economic environment, GO managed to retain its overall level of turnover. The reduction in revenue from mobile business, substantially impacted by regulation, and the continued decline in traditional fixed-line voice services have been offset by growth in TV and data services in general. The Group also experienced growth in data hosting and related activities.

The Group retains a strong presence in the local market and continues to offer a wide range of services to its large customer base through more than 500,000 customer connections. As the Group's incumbent position in fixed-line voice services continues to be challenged, the Group continues to grow its base of customers who make use of broadband, TV and mobile services, albeit growth is slowing down as market reaches saturation.

The Group's total cost base amounted to €108.8 million. Whilst this represent a marginal reduction of €1.2 million over the previous year, discretionary expenditure continued to be addressed and in general only expenditure directly related to sales activity experienced growth. Of note is the growth in costs relating to the TV business as a result of the substantial growth in client base and the acquired role as the main provider of premium content in general and sports in particular. The Group continues to streamline processes and to invest in technology and innovation, which allow it to continue to right-size its operations. The average number of persons employed by the Group during the year amounted to 1,014, a reduction of 3.7% over the previous year.

The Group is reporting a loss before taxation of €45.2 million (2010: €9.1 million). The loss per share amounted to €0.503 (2010: €0.189).

Net cash generated from operations amounted to €35.1 million (2010: €43.2 million). Both years include one-time items relating to pensions and voluntary retirement costs, whilst the comparative period include a refund of VAT relating to prior periods. Normalised cash flow from operations for 2011 amounted to €40.4 million, marginally below the €40.9 million generated in 2010. In 2011 the Group maintained its investment programme at the same level of 2010 and invested €25.6 million.

Financial position

Shareholders' funds amounted to €83.4 million (2010: €144.1 million). The reduction is due to the charge recognised during the financial year as a result of the reduction in the value of GO's investment in Forthnet through Forgendo, which has substantially eroded the Group's retained earnings. The Group's net asset value per share stands at €0.82 (2010: €1.42).

The Group's current assets amounted to €56.3 million (2010: €64.6 million) and are mainly represented by receivables of €35.3 million (2010: €43.7 million) and cash of €9.3 million (2010: €11.2 million). The level of invoiced amounts receivable stands at €22.5 million (2010: €22.1 million) confirming that in spite of the challenging economic environment, the Group did not experience any significant deterioration in its collection process. Current liabilities amounted to €55.8 million (2010: €58.4 million) and substantially consist of trade and other payables, which amounted to €49.8 million (2010: €50.2 million).