



## COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by GO p.l.c. (the “**Company**”) pursuant to Malta Financial Services Authority Listing Rules.

### Quote

#### INTERIM DIRECTORS’ STATEMENT

The Board of Directors of GO plc notes that, despite on-going challenges, and sustained pressures on both revenue and profitability, the GO Group continues to move in the right direction, reaping the benefits of its focused strategy whilst also laying the foundations which could lead to further growth in future.

The Maltese telecoms market remains highly competitive, with all operators aggressively targeting customers with value propositions, leading to significant price erosion. As market penetration is high across all product lines, the limited growth in services is not enough to offset the downside resulting from lower levels of average revenue per unit (ARPU). This leads to fairly stable market shares, but lower revenue, for all operators.

Moreover, the telecommunications industry continues to evolve rapidly; whilst there are clear signs of saturation in terms of subscriber levels, customers are shifting away from traditional voice services towards data and media applications which they want to access through various devices, using different technologies, anytime, anywhere.

It was evident during the second half of 2013 that the Group’s investments in solutions, technology and customer experience were leading to the desired results, enabling GO to address a compact and challenging market and to retain its position as the leading provider of telecommunication services in Malta.

It was satisfying to note that the positive momentum has so far been sustained in the first part of 2014, and that GO’s strategy has enabled it to protect its client base and revenue streams.

Concurrently, GO continues to pursue an intensive programme aimed at delivering sustainable reductions in operating costs. Efficiency measures taken in recent years are enabling GO to significantly mitigate the impact of downward pressures on its revenues. These cost containment measures have contributed to improved overall performance during the first quarter of 2014 compared to the same quarter of 2013.

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In pursuing its long-term growth strategy, GO also pursued two international investment initiatives during the first Quarter of 2014.

In January, GO and its immediate parent, Emirates International Telecommunications (Malta) Limited (EITML), each extended a loan of €6 million to Forghendo Limited to enable it to participate in the rights issue of Forthnet S.A. in Greece. The GO Loan may, at GO's option, be converted into equity by 15 July 2014. Should GO elect not to convert the GO Loan into equity, EITML shall convert the EITML Loan into equity, concurrently repaying the GO Loan on behalf of Forghendo. In such a case GO's shareholding in Forghendo would decrease from 50% to 5.88%.

In March, GO finalized an agreement with Cablenet Communication Systems Limited, a cable company based in Cyprus. Cablenet is a profitable company that provides fixed voice, internet and TV services to more than 41,000 subscribers. Through this agreement GO will provide Cablenet with a convertible loan of €12 million. Should GO decide to convert this loan into equity, GO will hold 45% of the issued share capital in Cablenet. Additionally, the agreement also grants GO the option to acquire majority control of Cablenet in the future.

**Unquote**

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

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

**5 May 2014**