



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

The Board of Directors of the Company has approved the attached Preliminary Statement of annual results for the financial year ended 31 December 2015. These audited financial statements are also available for viewing on the Company's website at www.go.com.mt.

The Board of Directors further resolved to recommend that the Annual General Meeting approves the payment of a final dividend of €0.10 net of taxation per share. The payment of this Net Dividend amounts to the sum of €10,131,049. The final dividend will be paid on the 13 May 2016 to all shareholders who are on the shareholders' register as at Monday 11 April 2016.

The Annual General Meeting will be held on Wednesday 11 May 2016 at the Malta Hilton, St. Julians.

Unquote

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

Dr. Francis Galea Salomone LL.D.
Company Secretary

11 February 2016



**GO p.l.c. Preliminary Statement of Group Results and State of Affairs
For the Year Ended and at 31 December 2015**

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 2015 as approved by the Board of Directors on 11 February 2016, which have been audited by PricewaterhouseCoopers.

These financial statements will be laid before the members at the general meeting to be held on 11 May 2016. 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

	Group		Company		
	As at 31 December		As at 31 December		As at 1 January
	2015 €000	2014 €000 Restated	2015 €000	2014 €000 Restated	2014 €000 Restated
ASSETS					
Non-current assets					
Property, plant and equipment	97,826	133,640	89,933	83,389	85,038
Investment property	-	2,199	-	-	-
Intangible assets	13,199	13,526	7,462	7,565	12,165
Investments in subsidiaries	-	-	10,566	10,616	10,616
Investment in associate	1,917	1,681	1,917	1,681	-
Loans receivable from subsidiaries	-	-	-	49,524	49,524
Loans receivable from related party	16,000	-	16,000	-	-
Loans receivable from associate	10,494	3,673	10,494	3,673	-
Deferred tax assets	5,769	8,497	4,132	6,580	6,859
Derivative financial instruments	15,955	2,383	15,955	2,383	-
Trade and other receivables	1,656	1,387	1,656	1,386	1,217
Total non-current assets	162,816	166,986	158,115	166,797	165,419
Current assets					
Inventories	9,718	7,468	9,489	7,402	6,861
Trade and other receivables	31,353	30,311	42,429	38,466	44,208
Current tax assets	995	-	995	172	1,013
Cash and cash equivalents	2,696	12,509	1,767	11,293	28,860
Total current assets	44,762	50,288	54,680	57,333	80,942
Non-current assets classified as held for sale	-	-	-	6,592	-
Total assets	207,578	217,274	212,795	230,722	246,361

Statements of financial position - continued

	Group		Company		
	As at 31 December		As at 31 December		As at 1 January
	2015 €000	2014 €000 Restated	2015 €000	2014 €000 Restated	2014 €000 Restated
EQUITY AND LIABILITIES					
EQUITY					
Share capital	58,998	58,998	58,998	58,998	58,998
Reserves	(543)	15,640	5,626	5,766	5,271
Retained earnings	33,642	28,787	38,739	59,181	50,007
Total equity	92,097	103,425	103,363	123,945	114,276
LIABILITIES					
Non-current liabilities					
Borrowings	35,150	44,573	35,150	44,573	59,246
Deferred tax liabilities	611	7,178	334	442	239
Provisions for pensions	4,219	3,667	4,219	3,667	3,370
Derivative financial instruments	8,669	2,049	8,669	2,049	512
Trade and other payables	1,838	1,388	1,838	1,388	3,656
Total non-current liabilities	50,487	58,855	50,210	52,119	67,023
Current liabilities					
Borrowings	14,678	9,425	14,678	9,425	13,014
Provisions for pensions	2,465	2,834	2,465	2,834	2,651
Derivative financial instruments	-	91	-	91	-
Trade and other payables	47,633	42,522	42,079	42,308	49,172
Current tax liabilities	218	122	-	-	225
Total current liabilities	64,994	54,994	59,222	54,658	65,062
Total liabilities	115,481	113,849	109,432	106,777	132,085
Total equity and liabilities	207,578	217,274	212,795	230,722	246,361

The financial statements were authorised for issue by the Board on 11 February 2016 and were signed on its behalf by:



Mr. Deepak Padmanabhan
Chairman



Mr. Nikhil Patil
Director

Income statements

	Year ended 31 December			
	Group		Company	
	2015 €000	2014 €000 Restated	2015 €000	2014 €000 Restated
Revenue	123,700	122,258	110,650	110,658
Cost of sales	(70,369)	(71,890)	(65,048)	(66,120)
Gross profit	53,331	50,368	45,602	44,538
Administrative and other related expenses	(27,091)	(29,801)	(29,709)	(32,954)
Other income	1,646	1,337	1,522	1,145
Other expenses	(51)	(140)	(47)	(188)
Operating profit	27,835	21,764	17,368	12,541
Analysed as follows:				
Operating profit before non-recurring items	29,006	24,367	18,539	15,144
Non-recurring items presented within 'Administrative and other related expenses'	(1,171)	(2,603)	(1,171)	(2,603)
Operating profit after non-recurring items	27,835	21,764	17,368	12,541
Finance income	1,059	390	10,444	12,717
Finance costs	(1,880)	(2,315)	(1,880)	(2,315)
Gain on spin-off effected by way of distribution	-	-	1,144	-
Adjustments arising on fair valuation of property	-	491	-	69
Adjustments arising on fair valuation of derivative financial instruments	6,952	-	6,952	-
Losses attributable to investment in joint venture	-	(6,592)	(6,592)	-
Share of results of associate	236	-	236	-
Profit before tax	34,202	13,738	27,672	23,012
Tax expense	(7,791)	(5,704)	(7,606)	(6,630)
Profit for the year - attributable to owners of the Company	26,411	8,034	20,066	16,382
Earnings per share (euro cents)	26c1	7c9		

Statements of comprehensive income

	Year ended 31 December			
	Group		Company	
	2015 €000	2014 €000 Restated	2015 €000	2014 €000 Restated
Comprehensive income				
Profit for the year	26,411	8,034	20,066	16,382
Other comprehensive income				
<i>Items that will not be reclassified to profit or loss</i>				
Surplus arising on revaluation of land and buildings	-	38	-	676
Remeasurements of defined benefit obligations	(245)	(566)	(245)	(566)
Income tax relating to components of other comprehensive income:				
- Net impact of the application of the changed tax regime on deferred tax attributable to the fair valuation of property	1,285	-	108	-
- Surplus on revaluation of land and buildings	-	(956)	-	(203)
- Remeasurements of defined benefit obligations	86	198	86	198
<i>Items that may be subsequently reclassified to profit or loss</i>				
Change in fair value of derivative designated as hedging instrument in cash flow hedge	91	421	91	421
Income tax relating to components of other comprehensive income	(32)	(147)	(32)	(147)
Total other comprehensive income for the year, net of tax	1,185	(1,012)	8	379
Total comprehensive income for the year	27,596	7,022	20,074	16,761

Statements of changes in equity

Group

	Share capital €000	Reserves €000	Retained earnings €000	Total €000
Balance at 1 January 2014	58,998	16,536	27,961	103,495
Comprehensive income				
Profit for the year (restated)	-	-	8,034	8,034
Other comprehensive income:				
Surplus arising on revaluation of land and buildings	-	38	-	38
Movement in deferred tax liability on revalued land and buildings determined on the basis applicable to property disposals	-	(956)	-	(956)
Cash flow hedge, net of deferred tax	-	274	-	274
Remeasurements of defined benefit obligations, net of deferred tax	-	(368)	-	(368)
Transfer from retained earnings in relation to insurance contingency reserve	-	116	(116)	-
Total other comprehensive income	-	(896)	(116)	(1,012)
Total comprehensive income (restated)	-	(896)	7,918	7,022
Transactions with owners in their capacity as owners				
Distribution to owners:				
Dividends to equity holders	-	-	(7,092)	(7,092)
Balance at 31 December 2014 (restated)	58,998	15,640	28,787	103,425

Statements of changes in equity - continued

Group - continued

	Share capital €000	Reserves €000	Retained earnings €000	Total €000
Balance at 1 January 2015 (restated)	58,998	15,640	28,787	103,425
Comprehensive income				
Profit for the year	-	-	26,411	26,411
Other comprehensive income:				
Surplus arising on revaluation of land and buildings	-	1,732	-	1,732
Movement in deferred tax liability on revalued land and buildings determined on the basis applicable to property disposals	-	1,285	-	1,285
Cash flow hedge, net of deferred tax	-	59	-	59
Remeasurements of defined benefit obligations, net of deferred tax	-	(159)	-	(159)
Transfer upon realisation of revaluation reserve, through property disposal effected through spin-off	-	(19,216)	19,216	-
Transfer from retained earnings in relation to insurance contingency reserve	-	116	(116)	-
Total other comprehensive income		(16,183)	19,100	2,917
Total comprehensive income		(16,183)	45,511	29,328
Transactions with owners in their capacity as owners				
Distribution to owners:				
Dividends paid to equity holders	-	-	(7,092)	(7,092)
Spin-off effected by way of distribution	-	-	(33,564)	(33,564)
Total transactions with owners	-	-	(40,656)	(40,656)
Balance at 31 December 2015	58,998	(543)	33,642	92,097

Statements of changes in equity - continued

Company (restated)

	Share capital €000	Reserves €000	Retained earnings €000	Total €000
Balance at 1 January 2014				
- as previously reported	58,998	5,271	49,983	114,252
- impact of mergers of subsidiary undertakings with GO p.l.c.	-	-	24	24
- as restated	58,998	5,271	50,007	114,276
Comprehensive income				
Profit for the year (restated)	-	-	16,382	16,382
Other comprehensive income: (restated)				
Surplus arising on revaluation of land and buildings (restated)	-	676	-	676
Movement in deferred tax liability on revalued land and buildings determined on the basis applicable to property disposals (restated)	-	(203)	-	(203)
Cash flow hedge, net of deferred tax	-	274	-	274
Remeasurements of defined benefit obligations, net of deferred tax	-	(368)	-	(368)
Transfer from retained earnings in relation to insurance contingency reserve	-	116	(116)	-
Total other comprehensive income (restated)	-	495	(116)	379
Total comprehensive income (restated)	-	495	16,266	16,761
Transactions with owners in their capacity as owners				
Distribution to owners: Dividends paid to equity holders	-	-	(7,092)	(7,092)
Balance at 31 December 2014 (restated)	58,998	5,766	59,181	123,945

Statements of changes in equity - continued

Company - continued

	Share capital €000	Reserves €000	Retained earnings €000	Total €000
Balance at 1 January 2015 (restated)	58,998	5,766	59,181	123,945
Comprehensive income				
Profit for the year	-	-	20,066	20,066
Other comprehensive income:				
Movement in deferred tax liability on revalued land and buildings determined on the basis applicable to property disposals	-	108	-	108
Cash flow hedge, net of deferred tax	-	59	-	59
Remeasurements of defined benefit obligations, net of deferred tax	-	(159)	-	(159)
Transfer upon realisation of revaluation reserve, through property disposal effected through spin-off	-	(264)	264	-
Transfer from retained earnings in relation to insurance contingency reserve	-	116	(116)	-
Total other comprehensive income	-	(140)	148	8
Total comprehensive income	-	(140)	20,214	20,074
Transactions with owners in their capacity as owners				
Distribution to owners:				
Dividends paid to equity holders	-	-	(7,092)	(7,092)
Spin-off effected by way of distribution	-	-	(33,564)	(33,564)
Total transactions with owners in their capacity as owners	-	-	(40,656)	(40,656)
Balance at 31 December 2015	58,998	5,626	38,739	103,363

Statements of cash flows

	Year ended 31 December			
	Group		Company	
	2015	2014	2015	2014
	€000	€000	€000	€000
				Restated
Cash flows from operating activities				
Cash generated from operations	43,678	48,778	36,522	45,827
Interest received	15	390	15	65
Interest paid on bank overdrafts	(139)	(194)	(139)	(382)
Tax paid	(5,914)	(6,669)	(3,715)	(4,215)
Tax refund received	53	724	-	695
Payments under voluntary retirement scheme	(686)	(2,595)	(686)	(2,595)
Payments in relation to pension obligations	(230)	(90)	(230)	(90)
Net cash from operating activities	36,777	40,344	31,767	39,305
Cash flows from investing activities				
Payments to acquire property, plant and equipment and intangible assets	(25,901)	(20,105)	(20,597)	(18,857)
Loans advanced to joint venture	-	(6,014)	-	(6,014)
Loans advanced to associate	(7,500)	(4,500)	(7,500)	(4,500)
Net cash used in investing activities	(33,401)	(30,619)	(28,097)	(29,371)
Cash flows from financing activities				
Repayments of bank loans	(9,586)	(14,771)	(9,586)	(14,656)
Dividends paid	(7,092)	(7,011)	(7,092)	(7,011)
Loan interest paid	(1,637)	(2,121)	(1,637)	(2,121)
Net cash used in financing activities	(18,315)	(23,903)	(18,315)	(23,788)
Net movements in cash and cash equivalents	(14,939)	(14,178)	(14,645)	(13,854)
Cash and cash equivalents at beginning of year	11,604	24,762	10,388	23,220
Exchange differences on cash and cash equivalents	(71)	(23)	(78)	(21)
Movement in cash pledged as guarantees	(187)	1,043	(187)	1,043
Cash and cash equivalents at end of year	(3,593)	11,604	(4,522)	10,388

Review of Group operations

The Board of Directors is recommending that the Annual General Meeting approves the payment of a final net dividend of €0.10 per share. The payment of this net dividend amounts to the sum of €10,131,489. The final dividend will be paid on the 13 May 2016 to all shareholders who are on the shareholders' register as at Monday 11 April 2016.

Performance

2015 has been a positive year for GO, as the Group is reaping the benefits of the strategy it embarked upon a few years back.

During the year GO completed the spin-off of its property arm, Malta Properties Company p.l.c. (formerly known as Malta Properties Company Limited), which as of last November is quoted separately on the Malta Stock Exchange. It is encouraging to see the achievement of a major milestone following the development and implementation over a number of years of a strategy aimed at delivering value to shareholders from the Group's extensive property portfolio. As a result of the spin-off shareholders enjoyed a net dividend of €0.3313, the highest in the Company's history.

Back to the Group's core business, competition in the telecommunications sector remains intense, whilst consumer behaviour remains in a state of transition, driven by the growing convergence of telecommunications, information technology, media and entertainment as people access the Internet from anywhere and at any time using a multitude of devices. Domestic operators not only compete against each other, but have to contend with competing services which are available free of charge through applications over the Internet provided by organisations with a global reach. Innovation and a positive customer experience are crucial to succeed in such an environment.

At the core of GO's business model is a determination to strive to satisfy the needs of customers and a commitment to deliver a customer experience that is second to none. For this reason GO continues to invest heavily in both innovation and customer experience. In order to better pursue a holistic approach to consumers' telecommunication needs, during the year under review the Group merged its mobile business into GO p.l.c., strengthening GO's operations and providing better focus on giving customers access to secure and always-available networks that will enable them to enjoy service offerings seamlessly over wired and wireless networks. This strategy is delivering good results as can be confirmed from an analysis of the financial performance for the financial year ended 31 December 2015.

The Group is reporting an operating profit of €27.8 million, an increase of 27.9% over the prior year result of €21.8 million. This result was achieved from a combination of increased revenue and reduction in costs. Both years include items considered to be of unusual nature, size or incidence relating to voluntary retirement costs and provision for pensions. Normalised EBITDA increased by 7.3% to €52.8 million from €49.2 million in 2014.

The Group achieved positive results in revenue generation. At €123.7 million revenue is 1.2% ahead of the comparative year as the Group managed to grow revenue from retail activities, which growth made up for the decline in income from wholesale activities, a direct consequence of regulatory intervention. Whilst retail revenue from legacy fixed-voice service continued to decline, GO experienced growth in all other retail sectors, particularly mobile and cloud-based services. Attractive bundling propositions continue to drive the strong performance at the retail level, whilst business is positively reacting to innovative cloud based services.

Cost of sales, administrative and related costs, excluding items of unusual nature, size or incidence, amounted to €96.3 million (2014: €99.1 million). The overall reduction of €2.8 million (2.8%) is the result of continued group-wide effort to drive down costs without compromising on customer experience.

Performance - continued

During the year the company was compelled to reclassify its investment in Forthnet from 'non-current asset classified as held for sale' to 'investment in associate'. This change in classification is mandatory because accounting standards clearly stipulate that any process to sell an asset classified as held for sale must be completed within twelve months. As the political and macroeconomic situation in Greece remains challenging it was not possible to pursue the sale process and the investment is therefore being reclassified. Reclassification triggers equity accounting which implied that the remaining investment in Forthnet, amounting to €6.6 million, had to be completely written down to a value of nil as a prior year adjustment. On a positive note, the investment in Cablenet is progressing in line with expectations, whilst the Cypriot economy is also showing positive signs of recovery. This implied an upside of €7.0 million in the value of GO's options to convert its loan to Cablenet into equity and to further acquire majority control of the company. GO exercised these options in January 2016.

As a result of the reclassification of the investment in Forthnet, the prior year profit before tax has been restated to €13.7 million, whilst the increase in value of GO's options to invest further in Cablenet helped achieve a profit before tax for the year ended 31 December 2015 of €34.2 million. The earnings per share amounted to €0.261 as against €0.079 as restated for 2014.

Cash generated from operations amounted to €36.8 million, a decrease of €3.6 million over 2014, mainly as a direct consequence of the spin-off process and the balances between GO and Malta Properties Company p.l.c.. In 2015 the Group's investments amounted to a cash outflow of €33.4 million, of which €7.5 million represent additional investment in Cablenet. Investments in property, plant, equipment and intangible assets amounted to €25.9 million, €5.8 million more than the value invested in 2014, as the Group maintains an intensive investment programme through which it is upgrading its various networks and launching new technologies which enable the provision of improved services and innovative products. This year GO launched its 4G network whilst it also maintained momentum in the continued rollout of its Fibre-to-the-Home (FTTH) network. The rollout of the 4G network will be complete during the first half of 2016 whilst the investments in FTTH will be maintained in the coming years. Through these investments GO will ensure that its customers continue to enjoy the best possible fixed-line and mobile broadband experience.

During 2015 GO reduced its borrowings by €9.6 million as it did not contract any new facilities and paid dividends amounting to €7.1 million. Whilst the Group's cash and cash equivalents were reduced from a positive €11.6 million as at December 2014 to a negative €3.6 million as at December 2015, GO has a loan of €16.0 million receivable from Malta Properties Company p.l.c., which loan will be repaid latest in 2017. GO also enjoys adequate facilities in place to maintain its investment programme.

GO's business model is delivering results as GO continues to service well in excess of 500,000 customer connections, making it by far the largest customer base of any operator on the islands. GO also continues to enjoy year-on-year growth in customer connections as growth in broadband, TV and mobile more than compensate for the decline in traditional fixed-voice connections. Equally encouraging is the annual growth in the number of customers adopting bundles of services across fixed, broadband, TV and mobile. The loyalty shown by customers in GO's product portfolio continues to deliver robust levels of revenues, profitability and cash generation from core operations. Within this highly competitive environment these results continue to augur well for GO to retain a strong presence in the local market across all product lines and to remain the leading telecommunications service provider and operator of choice, offering the most extensive product range.

Financial position

Following another year of robust operating performance, shareholders' funds as at year end amounted to €92.1 million in spite of a dividend distribution of €7.1 million in May and a further distribution of €33.6 million as part of the spin-off process. The Group's net asset value per share stands at €0.91, whilst the Group's equity position stands at 1.95x the Group's net debt position.

Financial position - continued

The Group's total asset base stands at €207.6 million, a reduction of €9.7 million over the prior year. The main differences over last year are directly related to the spin-off process which saw a reduction in Land and Buildings (and investment property) of €51.0 million and the creation of a loan receivable from Malta Properties Company p.l.c. of €16.0 million. The Group's total asset base is 44.4% funded through equity (2014: 47.6%).

In September 2014 GO concluded the acquisition of 25% shareholding in Cablenet Communication Systems Limited, a cable company incorporated and operating in Cyprus, in return for a loan of €12.0 million which GO extend to Cablenet by December 2015. This loan is interest free up to 31 December 2017 and during this period GO enjoys the option to convert this loan into equity, part of a path that can see GO owning 51.0% of the share capital of Cablenet. As Cablenet continues to perform well and the Cypriot economy continues to show signs of recovery, the net value of these options increased from €0.3 million as at December 2014 to €7.3 million as at December 2015. GO exercised these options in January 2016.

The Group's current assets amounted to €44.8 million (2014: €50.3 million) and are mainly represented by receivables of €31.4 million (2014: €30.3 million), inventories of €9.7 million (2014: €7.5 million) and cash of €2.7 million (2014: €12.5 million). The increase in inventory is temporary and directly related to ongoing investments, whilst the reduction in liquidity is directly related to GO's investment programme, which was funded entirely from internally generated resources as a result of a healthy liquidity position at the beginning of the year and robust operational performance.

Total liabilities increased from €113.8 million (restated) as at December 2014 to €115.5 million as at December 2015. There is also a shift from non-current liabilities to current liabilities as non-current liabilities decreased from €58.9 million to €50.5 million whilst current liabilities increased from €55.0 million to €64.0 million. However, both the shift to current liabilities as well as the increase in total liabilities is deemed to be temporary and directly related to the current investment programme which peaked during the year under review, mainly as a result of the investment in 4G.

Continued strong operational performance, funding arrangements in place and the scheduled repayment of the loan of €16.0 million by Malta Properties Company p.l.c. will continue to allow the Group to fund its investments in technology, honour its obligations with its bankers and pursue new investment initiatives aimed at increasing shareholder value.