



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 2017. 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 net dividend of €0.13 net of taxation per share. The payment of this Net Dividend amounts to the sum of €13,170,363. The final dividend will be paid on the 16 May 2018 to all shareholders who are on the shareholders’ register as at Friday 13 April 2018.

The Annual General Meeting will be held on Monday 14 May 2018 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

6 March 2018



**GO p.l.c. Preliminary Statement of Group Results and State of Affairs
For the Year Ended and at 31 December 2017**

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 2017 as approved by the Board of Directors on 6 March 2018, which have been audited by PricewaterhouseCoopers. These financial statements have been prepared and presented in accordance with International Financial Reporting Standards as adopted by the EU.

These financial statements will be laid before the members at the general meeting to be held on 14 May 2018. 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.

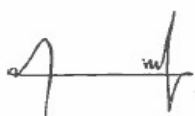
Statements of financial position

	Group		Company	
	As at 31 December		As at 31 December	
	2017 €000	2016 €000	2017 €000	2016 €000
ASSETS				
Non-current assets				
Property, plant and equipment	129,183	126,450	93,720	91,119
Intangible assets	62,305	67,684	5,521	8,770
Investments in subsidiaries	-	-	33,311	33,311
Investments in associate	18	18	-	-
Loan receivable from subsidiary	-	-	15,600	-
Deferred tax assets	2,315	4,262	1,783	3,159
Trade and other receivables	2,005	1,465	1,807	1,465
Total non-current assets	195,826	199,879	151,742	137,824
Current assets				
Inventories	8,340	8,025	8,101	7,789
Trade and other receivables	33,888	31,865	42,475	42,377
Current tax assets	41	255	-	521
Cash and cash equivalents	13,722	9,728	10,925	8,105
Total current assets	55,991	49,873	61,501	58,792
Total assets	251,817	249,752	213,243	196,616

Statements of financial position - continued

	Group		Company	
	As at 31 December		As at 31 December	
	2017 €000	2016 €000	2017 €000	2016 €000
EQUITY AND LIABILITIES				
EQUITY				
Share capital	58,998	58,998	58,998	58,998
Reserves	616	266	6,095	5,745
Retained earnings	47,273	41,839	47,645	40,541
<hr/>				
Total capital and reserves attributable to owners of the Company	106,887	101,103	112,738	105,284
Non-controlling interests	8,224	8,099	-	-
<hr/>				
Total equity	115,111	109,202	112,738	105,284
<hr/>				
LIABILITIES				
Non-current liabilities				
Borrowings	46,910	53,892	32,021	27,208
Deferred tax liabilities	2,716	2,943	362	324
Provisions for pensions	2,992	3,138	2,992	3,138
Trade and other payables	320	2,496	320	2,496
<hr/>				
Total non-current liabilities	52,938	62,469	35,695	33,166
<hr/>				
Current liabilities				
Borrowings	21,009	19,940	18,927	14,003
Provisions for pensions	3,340	3,205	3,340	3,205
Trade and other payables	58,202	54,936	41,824	40,958
Current tax liabilities	1,217	-	719	-
<hr/>				
Total current liabilities	83,768	78,081	64,810	58,166
<hr/>				
Total liabilities	136,706	140,550	100,505	91,332
<hr/>				
Total equity and liabilities	251,817	249,752	213,243	196,616

The financial statements were authorised for issue by the Board on 6 March 2018 and were signed on its behalf by:



Mohamed Fadhel Kraiem
Chairman



Paul Testaferrata Moroni Viani
Director

Income statements

	Group		Company	
	Year ended 31 December			
	Group 2017 €000	2016 €000	Company 2017 €000	2016 €000
Revenue	166,301	156,972	118,391	112,166
Cost of sales	(96,558)	(94,498)	(70,633)	(69,186)
Gross profit	69,743	62,474	47,758	42,980
Administrative and other related expenses	(41,439)	(37,437)	(29,878)	(28,939)
Other income	1,507	1,339	1,277	987
Other expenses	(284)	(101)	(231)	(99)
Operating profit	29,527	26,275	18,926	14,929
Analysed as follows:				
EBITDA	65,574	61,633	42,144	38,248
Depreciation and amortisation	(36,047)	(35,358)	(23,218)	(23,319)
Operating profit	29,527	26,275	18,926	14,929
Finance income	327	821	9,425	8,009
Finance costs	(2,180)	(3,355)	(1,194)	(1,882)
Adjustments arising on fair valuation of property	206	(228)	206	-
Losses attributable to investments	(11)	(1,495)	(11)	(1,495)
Gain arising on remeasurement to fair value of the previously held equity interest upon acquisition of subsidiary	-	6,078	-	-
Profit before tax	27,869	28,096	27,352	19,561
Tax expense	(9,867)	(7,804)	(8,988)	(7,512)
Profit for the year	18,002	20,292	18,364	12,049
Attributable to:				
Owners of the Company	16,694	18,444	18,364	12,049
Non-controlling interests	1,308	1,848	-	-
Profit for the year	18,002	20,292	18,364	12,049
Earnings per share (euro cents)	16c5	18c2		

Statements of comprehensive income

	Group		Company	
	Year ended 31 December			
	2017 €000	2016 €000	2017 €000	2016 €000
Comprehensive income				
Profit for the year	18,002	20,292	18,364	12,049
Other comprehensive income				
<i>Items that will not be reclassified to profit or loss</i>				
Surplus arising on revaluation of land and buildings	292	-	292	-
Remeasurements of defined benefit obligations	(57)	4	(57)	4
Income tax relating to components of other comprehensive income:				
- Surplus on revaluation of land and buildings	(21)	-	(21)	-
- Remeasurements of defined benefit obligations	20	(1)	20	(1)
Total other comprehensive income for the year, net of tax	234	3	234	3
Total comprehensive income for the year	18,236	20,295	18,598	12,052

Statements of changes in equity

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 2016	58,998	[543]	33,642	92,097	-	92,097
Comprehensive income						
Profit for the year	-	-	18,444	18,444	1,848	20,292
Other comprehensive income:						
Remeasurements of defined benefit obligations, net of deferred tax	-	3	-	3	-	3
Transfer from retained earnings in relation to insurance contingency reserve	-	116	[116]	-	-	-
Total other comprehensive income	-	119	[116]	3	-	3
Total comprehensive income	-	119	18,328	18,447	1,848	20,295
Transactions with owners in their capacity as owners						
Distribution to owners:						
Dividends paid to equity holders	-	-	[10,131]	[10,131]	-	[10,131]
Changes in ownership interest that do not result in loss of control:						
Non-controlling interest arising on acquisition of subsidiary	-	-	-	-	6,251	6,251
Reserve arising upon reorganisation of subsidiary companies	-	690	-	690	-	690
Total transactions with owners in their capacity as owners	-	690	[10,131]	[9,441]	6,251	[3,190]
Balance at 31 December 2016	58,998	266	41,839	101,103	8,099	109,202

Statements of changes in equity - continued

Group - continued

	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 2017	58,998	266	41,839	101,103	8,099	109,202
Comprehensive income						
Profit for the year	-	-	16,694	16,694	1,308	18,002
Other comprehensive income:						
Surplus arising on revaluation of land and buildings	-	292	-	292	-	292
Movement in deferred tax liability on revalued land and buildings determined on the basis applicable to property disposals	-	(21)	-	(21)	-	(21)
Remeasurements of defined benefit obligations, net of deferred tax	-	(37)	-	(37)	-	(37)
Transfer from retained earnings in relation to insurance contingency reserve	-	116	(116)	-	-	-
Total other comprehensive income	-	350	(116)	234	-	234
Total comprehensive income	-	350	16,578	16,928	1,308	18,236
Transactions with owners in their capacity as owners						
Distribution to owners:						
Dividends paid to equity holders	-	-	(11,144)	(11,144)	(1,183)	(12,327)
Total transactions with owners in their capacity as owners	-	-	(11,144)	(11,144)	(1,183)	(12,327)
Balance at 31 December 2017	58,998	616	47,273	106,887	8,224	115,111

Statements of changes in equity - continued

Company

	Share capital €000	Reserves €000	Retained earnings €000	Total €000
Balance at 1 January 2016	58,998	5,626	38,739	103,363
Comprehensive income				
Profit for the year	-	-	12,049	12,049
Other comprehensive income:				
Remeasurements of defined benefit obligations, net of deferred tax	-	3	-	3
Transfer from retained earnings in relation to insurance contingency reserve	-	116	[116]	-
Total other comprehensive income	-	119	[116]	3
Total comprehensive income	-	119	11,933	12,052
Transactions with owners in their capacity as owners				
Distribution to owners:				
Dividends paid to equity holders	-	-	[10,131]	[10,131]
Total transactions with owners in their capacity as owners	-	-	[10,131]	[10,131]
Balance at 31 December 2016	58,998	5,745	40,541	105,284

Statements of changes in equity - continued

Company - continued

	Share capital €000	Reserves €000	Retained earnings €000	Total €000
Balance at 1 January 2017	58,998	5,745	40,541	105,284
Comprehensive income				
Profit for the year	-	-	18,364	18,364
Other comprehensive income:				
Surplus arising on revaluation of land and buildings	-	292	-	292
Movement in deferred tax liability on revalued land and buildings determined on basis applicable to property disposals	-	[21]	-	[21]
Remeasurements of defined benefit obligations, net of deferred tax	-	[37]	-	[37]
Transfer from retained earnings in relation to insurance contingency reserve	-	116	[116]	-
Total other comprehensive income	-	350	[116]	234
Total comprehensive income	-	350	18,248	18,598
Transactions with owners in their capacity as owners				
Distribution to owners:				
Dividends paid to equity holders	-	-	[11,144]	[11,144]
Total transactions with owners in their capacity as owners	-	-	[11,144]	[11,144]
Balance at 31 December 2017	58,998	6,095	47,645	112,738

Statements of cash flows

	Group		Company	
	Year ended 31 December			
	2017	2016	2017	2016
	€000	€000	€000	€000
Cash flows from operating activities				
Cash generated from operations	64,933	72,232	50,352	52,178
Interest received	14	235	14	227
Interest paid on bank overdrafts	(30)	(676)	(30)	(133)
Tax paid	(6,977)	(6,379)	(4,153)	(4,150)
Tax refund received	-	160	-	-
Payments under voluntary retirement scheme	(813)	(1,408)	(813)	(1,408)
Payments in relation to pension obligations	(80)	(349)	(80)	(349)
Net cash from operating activities	57,047	63,815	45,290	46,365
Cash flows from investing activities				
Payments to acquire property, plant and equipment and intangible assets	(33,931)	(45,574)	(25,365)	(30,322)
Payment for acquisition of subsidiaries, net of cash acquired	-	(4,375)	-	(3,050)
Repayment of loans by related parties	-	16,000	-	16,000
Acquisition of investment in associate	-	(18)	-	-
Payments to acquire investment in joint venture	-	(1,495)	-	(1,495)
Loans advanced to subsidiary	-	-	(14,600)	(1,000)
Net cash used in investing activities	(33,931)	(35,462)	(39,965)	(19,867)
Cash flows from financing activities				
Proceeds from bank loans	39,652	10,000	24,652	10,000
Repayment of bank loans	(39,233)	(19,061)	(14,969)	(17,564)
Repayment of other loans	(6,439)	(184)	-	-
Dividends paid	(11,085)	(10,016)	(11,085)	(10,016)
Loan interest paid	(2,150)	(2,857)	(1,075)	(1,460)
Net cash used in financing activities	(19,255)	(22,118)	(2,477)	(19,040)
Net movements in cash and cash equivalents	3,861	6,235	2,848	7,458
Cash and cash equivalents at beginning of year	3,462	(3,593)	3,756	(4,522)
Exchange differences on cash and cash equivalents	8	(8)	8	(8)
Movement in cash pledged as guarantees	(1,318)	828	(1,318)	828
Cash and cash equivalents at end of year	6,013	3,462	5,294	3,756

Review of Group operations

The Board of Directors is recommending that the Annual General Meeting approves the payment of a final net dividend of €0.13 per share. The payment of this net dividend amounts to the sum of €13,170,363. The final dividend will be paid on the 16 May 2018 to all shareholders who are on the shareholders' register as at Friday 13 April 2018.

Performance

2017 marked another positive year for the Group, which is the result of the sound investment policy that the Group is reaping the benefits of the strategy it embarked in the previous years. GO's investment in its infrastructure and in value generating business such as BM Group and Kinetix, has consolidated our results and seen a robust performance in Malta operations. This positive trend extends to our Cyprus operations.

The financial year has been positive for the Group as it delivered growth in its operations, both in Malta as well as in Cyprus in spite of an intense competitive environment. Customer behaviour remains in a state of transition, driven by the growing convergence of telecommunications, information technology, media and entertainment. Furthermore, domestic operators not only compete against each other, but also against competing services available free of charge, through applications over the Internet which are provided by organisations with a global reach. Within such a scenario, data services are fast becoming the primary telecommunication service sought by customers, as people seek to access the Internet from anywhere and at any time of the day, using a multitude of devices. Innovation and a positive customer experience are crucial to succeed in such an environment and it is therefore encouraging that the Group retains healthy levels of revenue from a number of services besides revenue from Internet access.

GO is pleased to report continued growth in its Malta Operations with its bundled packages, the increase in use of mobile post-paid services and data services which are the main contributors to growth in retail revenues. This performance is being achieved as a result of the continued investment in GO's network infrastructure. Our investment programme is designed to meet the challenges and opportunities that the customer behaviours and changing technologies demand from GO. The Group is also undertaking the challenge to invest in its connectivity both in Malta and internationally with an investment of €100 million over the next five years. During the current year GO's fibre network coverage was extended to cover another 20,000 households. Now GO has covered more than 64,000 households which represents around 37% of Maltese households. Over the coming years GO intends to continue investing heavily in its FTTH network with the intention to cover the Maltese Islands in the shortest possible time. In Cyprus, Cablenet's network currently covers approximately 52% of households. Coverage is being extended as part of a multi-year programme which also includes ongoing improvements in systems and processes to retain the leading edge in the provision of quality broadband and TV in this market. During the year under review Cablenet's broadband client base has increased by more than 3,000 subscribers to circa 22% of the market.

The Group generated revenue of €166.3 million (2016: €157.0 million), an increase of €9.3 million over the comparative year. Revenue generated by Cablenet represents €31.0 million. On a standalone basis, Cablenet results show revenue growth of 6.4%. Revenue generated in Malta has maintained an upward trend, growing by 5.8% to €135.4 million. Whilst retail revenue from legacy fixed voice service continued to decline, GO experienced growth in all other retail sectors, particularly through attractive bundling propositions which continue to drive the strong performance at the retail level. During 2017 GO launched new mobile post-paid packages to attract customers to switch to a post-paid package, thus increasing the ARPU per subscriber. The Group also saw a growth from its business arm which is now offering a one stop shop for all the communications and ICT needs of business users.

Cost of sales, administrative and related costs amounted to €138.0 million (2016: €131.9 million). The main increase of €6.1 million is the result of the increase in sales activity which has driven up the cost of goods sold.

Review of Group operations - continued

Group Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) grew by 6.5% to €65.6 million, an increase of €4.0 million over the comparative year. Operating profit amounted to €29.5 million (2016: €26.3 million) representing underlying growth in operating performance of the Group. The results of prior year include an income of €6.1 million as a result of recognising a fair value gain on the remeasurement of the equity holding in Cablenet prior to acquiring control.

The investment in Cablenet continues to perform well. During 2017, Cablenet's suffered a slight decline of 2.7% in its EBITDA arising from greater marketing effort by the company to address the competition in the Cypriot telecommunication's market.

As part of the restructuring process of Forthnet S.A. (Forthnet), and GO's decision not to participate in the process of bond conversions, GO's investment in Forthnet was diluted to 15.2%. No further investments in Forthnet are envisaged as the value of this investment is completely impaired.

Profit before tax amounted to €27.9 million (2016: €28.1 million) resulting in an earnings per share of €0.165 (2016: €0.182).

Cash generated from operations amounted to €57.0 million (2016: €63.8 million), a decrease of €6.8 million compared to 2016 which year includes for the first time Cablenet and Kinetix operations effect. In 2017 the Group's investments in property, plant, equipment and intangible assets amounted to a cash outflow of €33.9 million (2016: €45.6 million), a decrease of €11.7 million over 2016. In 2017 €9.3 million related to capital expenditure made by Cablenet, whereas the main investments by GO were in FTTH. Investments by GO in the acquisition of subsidiaries amounted to €4.4 million in 2016. During 2017 GO financing includes €15.6 million bank loan which it had extended to Cablenet to repay other bank loans.

During the year, GO reduced its borrowings by €39.2 million and paid dividends amounting to €11.1 million. The Group's cash and cash equivalents as at year end improved by €3.9 million. GO has adequate facilities in place, enabling it to maintain its investment programme and honour loan repayment obligations.

GO's business model is delivering results, as GO continues to maintain a robust operating performance in Malta and now also pursues growth opportunities available to Cablenet as a quality challenger operator in the Cypriot market. With more than 500,000 customer connections, GO's customer base remains the largest of any operator in Malta. In Cyprus, Cablenet serves more than 154,000 customer connections. The Group continues to enjoy year-on-year growth in customer connections in both markets across broadband and TV and is also growing the mobile base in the Maltese market.

It is encouraging to note that this sustained growth is being driven by an ever increasing number of customers adopting bundles of services. Thanks to the loyalty shown by customers to GO's and Cablenet's product portfolios, the Group continues to deliver robust levels of revenues, profitability and cash generation from its core operations.

Within a highly competitive environment, these results continue to augur well, as the Group seeks to retain a strong presence in its domestic market as well as grow its presence in Cyprus across all product lines, striving to remain the leading telecommunications services provider and operator of choice.

Review of Group operations - continued

Throughout the past year GO has also continued to implement its employee transformation programme leading to further improvements in its operations and customer service; we have every intention of continuing to invest further in our people. We operate in a technology-led, and rapidly evolving sector, and our skilled and committed teams are fundamental as we adapt to change and continue to innovate and drive this business forward together. Total employee benefit expense for the year amounted to €30.8 million (2016: €29.4 million). The average number of persons employed by the Group, including part-timers and students, during the year amounted to 1,172 (2016:1,140). The increased cost and headcount are due to growth at Cablenet.

The Group continues to retain a careful eye on environmental considerations in all its activities, as well as ethical behaviour with regards to its interactions with all its stakeholders.

Financial position

Following another year of robust operating performance, shareholders' funds as at year end amounted to €106.9 million (2016: €101.1 million), an increase of €5.8 million over the prior year in spite of a dividend distribution of €11.1 million during the year. The Group's net asset value per share stands at €1.14 (2016: €1.08), whilst the Group's equity position stands at 2.12x (2016: 1.70x) the Group's net debt position.

The Group's total asset base stands at €251.8 million (2016: €249.8 million), an increase of €2.0 million over the prior year as a result of the acquisition of Cablenet. The Group's total asset base is 45.7% (2016: 43.7%) funded through equity.

GO has the option of acquiring a further 49% shareholding in Kinetix. GO exercised this option on 1 March 2018.

The Group's current assets amounted to €56.0 million (2016: €49.9 million) and are mainly represented by trade and other receivables of €33.9 million (2016: €31.9 million), inventories of €8.3 million (2016: €8.0 million) and cash of €13.7 million (2016: €9.7 million). Total liabilities decreased from €140.6 million as at December 2016 to €136.7 million as at December 2017.

A strong and sustained operational performance, and appropriate funding arrangements will allow the Group to continue to fund its investments in technology, honour its obligations with its bankers and pursue new investment initiatives aimed at increasing shareholder value.