



COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by GO p.l.c. (“GO”) pursuant to Malta Financial Services Authority Listing Rules. This statement is based on the unaudited management accounts of GO up to 31st March 2016 and other financial information.

Quote

INTERIM DIRECTORS' STATEMENT

The past few months have been transformational ones for the GO Group. During the last quarter of 2015, GO completed the spin-off of its property arm, Malta Properties Company plc (MPC). This is now a separately listed entity on the Malta Stock Exchange, releasing value previously locked within the telecoms business to shareholders. In January 2016, GO increased its shareholding in the Cyprus-based Cablenet Communication Systems Limited (Cablenet) to 51% and also acquired 51% of Kinetix IT Solutions Limited (Kinetix) a Maltese ICT services provider. The first quarter of 2016 therefore, whilst excluding any property related activities, benefits from the inclusion of both Cablenet and Kinetix business.

GO has recently announced the financial results for the year ended 31st December 2015, with a significantly improved performance over the previous year. The Board of Directors notes that, despite a challenging competitive environment, GO's telecommunications business continued to achieve growth in revenue and maintain healthy levels of profitability during this first quarter of 2016. Furthermore, on a Group consolidated basis, the new revenue streams arising from the recent acquisitions contribute to increased levels of revenue and EBITDA.

The telecommunications sector is witnessing continued growth in both data and media applications. Clients expect a robust infrastructure that delivers access to the internet through various devices, using different technologies, anytime, anywhere. In anticipation of this trend, GO embarked upon a major investment program to deploy fibre to the home (FTTH) and to launch 4G. GO's fibre technology is now available to over 30,000 households and more clients are enjoying a unique offering of broadband and TV service delivered over the Company's FTTH network. Furthermore, GO launched 4G services last December and has now reached the last phase of deployment. GO's 4G network, which is the only network in Malta's that is 100% fibre connected, will be completed before summer, allowing mobile clients to enjoy the best quality mobile network in the market.

Thanks to such investments and to ongoing efforts to improve customer experience, GO continues to grow its overall customer connections. Initiatives aimed at selling more bundled services, upsell clients to higher broadband speeds and IPTV and to migrate mobile prepaid clients to post-pay are





all leading to growth in average revenue per user (ARPU) and revenue from retail services. It is also encouraging to note that, in spite of a highly competitive environment and international trends of fixed to mobile substitution, GO managed to stabilize its revenues from traditional fixed voice services.

GO has been an investor in Cablenet since 2014 and this company has been performing well; during this first quarter Cablenet continued to achieve growth in both revenue and profitability, largely as a result of continued growth in its customer base.

The healthy financial results being achieved validate the Group's strategies and the Board is confident that GO can retain its position as the leading provider of telecommunication services in Malta whilst it extends its reach internationally in Cyprus.

The Board would also like to update shareholders on the ongoing sale process as approved during the Extraordinary General Meeting held on 29 October 2015. Following this EGM the Company released initial information about the GO Group to various potential investors. There was a positive response and several investors pursued the initiative further, signed the necessary non-disclosure agreements and received an extensive information memorandum enabling them to submit non-binding offers. In February GO received a number of non-binding offers and after careful evaluation by GO and its advisors, bidders were then granted access to the data room. Following this, a number of binding offers have been received and these are being evaluated with a view to selecting the preferred bidder later this month.

Unquote

Dr. Francis Galea Salomone LL.D.
Company Secretary

6 May 2016

