



COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by GO p.l.c. (the “Company”) pursuant to Malta Financial Services Authority Listing Rules. This statement is based on the unaudited management accounts of the Company up to 30th September 2012 and other financial information.

Quote

INTERIM DIRECTORS' STATEMENT

The Group results for the first six months up to 30th June 2012 showed a reduction in normalized operating profit to €10.5 million from €12.4 million in the last six months of 2011. This gap has been reduced in the third quarter of 2012 as the Group's performance levels improved when compared to the same quarter last year. Profitability for the first nine months of the year remains lower than last year. The Group continues to generate healthy cash levels from its ongoing operations and holds sufficient cash resources and retains adequate banking facilities to support its investment programme and honour its commitments.

The Company continues to perform well in a highly competitive market retaining an overall client base of around 500,000 across its product range. The Company's investments in television and broadband infrastructure has helped both in retaining traditional clients in the fixed-voice telephony services market as well as attracting clients specifically to our television and broadband services. The Group is completing its new mobile telephony infrastructure whereby the Company will provide the fastest and most reliable network for mobile voice and data services in the market. The Company is therefore optimistic that it will benefit from such investments in mobile telephony services in the coming years through increases in market share and revenues.

Whilst sources of revenue remain strong across all product lines, the revenue trends have decreased as the competitive market is leading to lower ARPU. Regulation has also impacted on revenues, particularly in the mobile telephony sector, as lower rates were introduced for terminating calls originating on other networks. In spite of these challenges, the Company is optimistic that in the coming months, revenues will continue to increase in the television sector and the investment made in mobile telephony services, particularly with regards to mobile data, will produce growth in that sector. As more clients subscribe to bundled products, the Company remains positive about its ability to continue to secure solid revenue performance and maintain its on-going commitment to its investment programme to ensure that the Group's clients enjoy the best possible service. The Group's investment in mobile telephony services and upcoming investments in FTTH are part of our programme to deliver a modern and innovative service to our clients.

The Company's focus on cost optimization remains a key objective. The Company has benefitted from reduced payroll costs and savings in a number of discretionary expense categories. The changeover from legacy mobile infrastructure means that this year the Group will experience a one-time significant increased operational cost which will impact on the Company's performance for the year.

Forthnet is expected to announce its third quarter 2012 results by the end of November. In the meantime, Forthnet is progressing with its plans to increase its capital as it aims to raise €30 million. The Company is awaiting the release of the Forthnet prospectus in this regard at which stage the Company will be able to determine whether or not to participate in the rights issue process.

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The Group's ability to maintain solid revenue performance and to control costs continues to deliver significant cash flows from on-going operations. Operational performance and the ability to maintain its investment programme improving the service and trust to clients are an encouraging indicator of the Group's ability to maintain a healthy level of operational in a challenging market environment.

Unquote

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

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

2 November 2012