



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 31st March 2013 and other financial information.

Quote

INTERIM DIRECTORS’ STATEMENT

Official statistics appear to indicate the near saturation of the local market in respect of market subscribers to telecommunications services. The scope for growth in overall market subscriber number is considered limited and within this competitive scenario operators are seeking to attract existing subscribers from competitors through value propositions and attractive offers. As competition increases, this leads to erosion in ARPU levels.

Whilst the Company continues to enjoy substantial levels of revenue, an overall lower level of revenue from traditional lines of business has affected the Group. In addition, lower mobile termination rates resulting from regulatory intervention has also impacted on the mobile services sector. Over the past months, the Company has launched various propositions to attract clients and will continue to do so throughout the year across various product lines as it strives to try to grow its market share reversing current trends in ARPU levels.

The challenging and competitive local market necessitates that the Company focuses constantly on cost optimization as it seeks to ensure that any lower levels in revenue do not translate into lower profitability. During the first quarter of 2013, the Company continued to successfully achieve reductions in its cost base. Although the Company focuses on right-sizing, cost optimization initiatives are also being pursued across all major cost categories.

Profitability during the first quarter of 2013 is marginally below that registered during the same period last year, however the Group maintains healthy cash generation and a significant level of liquidity and available facilities. During this period the Company has finalised a financing arrangement with its leading banker. This financing together with the Group’s own resources permits the Company to pursue its significant investment programme aimed at ensuring that Group customers continue to enjoy the best quality network and customer experience.

Unquote

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

Dr. Francis Galea Salomone LL.D.
Company Secretary

6 May 2013

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