

**GO p.l.c.**

**Condensed Consolidated  
Interim Financial Statements**

**For the Period 1 January 2008 to  
30 June 2008**

GO p.l.c.

Condensed Consolidated Interim Financial Statements

For the Period 1 January 2008 to 30 June 2008

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# GO p.l.c.

## Directors' Report pursuant to Listing Rule 9.44k.2

For the Period 1 January 2008 to 30 June 2008

This Half-Yearly Report is being published in terms of Chapters 8 and 9 of the Listing Rules of the Listing Authority – Malta Financial Services Authority and the Prevention of Financial Markets Abuse Act 2005. The condensed consolidated financial statements included in this report have been extracted from GO p.l.c.'s unaudited consolidated financial statements for the six months ended 30 June 2008 prepared in accordance with accounting standards adopted for use in the EU for interim financial statements (EU adopted IAS 34, *Interim Financial Reporting*). The comparative balance sheet has been extracted from the audited financial statements for the year ended 31 December 2007. In terms of Listing Rule 9.44k.5, the directors state that this Half-Yearly Report has not been audited or reviewed by the Group's independent auditors.

Figures are presented in Euro, the functional currency of GO p.l.c. from 1 January 2008. Comparative amounts are also presented in Euro.

### Review of financial performance

Group turnover amounted to €64.2 million, an increase of 1.6% over the comparative period. Turnover is characterised by the continued decline in traditional fixed-line voice services which is however being mitigated by revenues from broadband, mobile and new business, which now also includes TV. The Group continues to enjoy a significant client base. During the period under review, the TV client base increased by 24%, that of broadband by 12% whilst that of mobile increased by 1.5%. These positive results compensate for a net decline of 2% in fixed-line connections.

Profit from operating activities amounted to €1 million for the period under review. Although this is €1 million below that registered in the same period last year, results include a provision for pensions of €1.8 million as further explained hereunder and a depreciation charge of €2.9 million (2007: €0.6 million). The Group's earnings before interest, tax, depreciation and amortisation (EBITDA) before the provision for pensions amounted to €5.7 million and shows an increase of 13% over the same period last year.

Following the judgement on 7 July 2008 by the Court of Appeal, the Company was mandated to set up a pension scheme effective from 1 January 1975. The scheme applies to employees that Telemalta Corporation had taken over from Cable and Wireless. GO p.l.c. is the successor in title to Telemalta Corporation. After analysing the impact of the judgement, the Group estimates that the cost to date of past and future benefits payable under the scheme amount to €13.2 million and is therefore recognising an additional provision amounting to €1.8 million. The Group is conducting further analysis of the financial, technical and legal interpretation and implementation of the judgement.

As explained in note 11 to these financial statements, during the period under review GO p.l.c. and its parent company, Emirates International Telecommunications Ltd, each acquired 50% shareholding in Forgendo Limited. As at end June 2008, Forgendo Limited had acquired a 23.71% shareholding in Forthnet SA, which shareholding was increased to 33.89% in August 2008 following a rights issue process. Forthnet SA is a maturing company and a major fixed-line and broadband service provider in Greece. Forthnet SA is also in the process of completing the acquisition of Greece's only satellite TV service provider. During the period under review, the Group recognised a loss of €2.7 million representing its share of results of Forgendo Limited.

The Group continues to generate significant free cash flow from its operations, which allows it to enjoy a healthy liquidity position. During the period under review, net cash generated from operating activities was in line with that registered in the comparative period and amounted to €27 million.

# GO p.l.c.

## **Directors' Report pursuant to Listing Rule 9.44k.2**

**For the Period 1 January 2008 to 30 June 2008**

### **Commentary on performance**

The period under review is unfortunately characterised by the impact of the judgement by the Court of Appeal as explained above in the Review of Financial Performance. The magnitude of the impact of this judgement has dampened what are otherwise very encouraging results.

On various occasions the Group has shown its desire to strengthen its growth prospects by pursuing international opportunities, particularly in maturing markets. During the period, GO p.l.c. has actively participated, together with its parent company, in the acquisition of a significant shareholding in Forthnet SA. This process is being completed this month as Forthnet SA completes the acquisition of Greece's TV service provider Nova, which acquisition has been funded through a rights issue process by Forthnet. This investment will also provide the Group with various synergies.

In 2007, the Group stepped up its efforts to streamline its operations. Last year's rebranding of the Group into GO and the merger of various subsidiaries into the parent company are indicative of the extent of the transformation taking place. Whilst more work is in progress, the Group is already bearing fruit from these efforts.

Loss of subscribers for traditional voice services is significantly below expectations, whilst the Group continues to experience growth in all other sectors. The overall client base of the Group increased by 1.8% and exceeded 450,000 services. TV and broadband are the main growth areas and continue to confirm the Group as the leading fixed-line service provider in Malta. Whilst growth in mobile subscribers is low, this is firmly in line with growth registered by the market and this business unit continues to experience significant growth in usage across all services. During the period under review, the Group completed its exit from the international call centre business to concentrate its efforts on services directly related to or ancillary to the telecommunications sector. The net result is that Group revenue increased by 1.6% over the comparative period.

The Group's efforts are not only focused on revenue growth but also on improving efficiencies aimed at improving quality and speed of service and reducing costs. The Group continued with its efforts to right-size and right-skill its operations through retraining, voluntary retirement schemes and controlled recruitment. The Group headcount level continues to decline, as do controllable costs that have either decreased or been contained.

Unfortunately, regulation continues to impact the Group negatively. Last year the Group's mobile arm experienced regulation of roaming which severely impacted its wholesale business. This year, regulations have impacted the Group's fixed-line business unit through the regulation of the provision of certain data services. The current year will be the first year when the full impact of roaming regulation will be felt. The full impact of regulation of data services will be felt next year.

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**Directors' Report pursuant to Listing Rule 9.44k.2**

**For the Period 1 January 2008 to 30 June 2008**

On the technology front the Group continues to make available to its clients the best possible technology. The Group's decision to invest in its second submarine cable has been vindicated by the recent incident in Sicily that resulted in a disruption of service to all our clients. Whilst this disruption is regretted, through the investment in the new cable, the Group's clients will be the only clients in Malta to enjoy a truly a fully redundant international connectivity as of next year. The Group's 3G network continues to be the more far reaching and reliable network in Malta, resulting in very encouraging growth rates for wireless broadband. The Group continued with its investments in broadband services through its 1.5km project and plans also to launch WiMax later this year.

**Related party transactions**

During the period under review, the Group advanced funds and expenses borne on behalf of the jointly-controlled entity, amounting to €42,625,405 and €14,846, respectively. In addition, the Group acquired services amounting to €129,586 from entities controlled by Dubai Holdings LLC, the ultimate parent company.

**Dividends**

The Board of Directors has resolved to determine the extent of dividend distribution for 2008 on the basis of the full results for the year. Accordingly, no dividends are declared upon issue of the results for the six-month period ended 30 June 2008.

Approved by the Board of Directors on 28 August 2008 and signed on its behalf by:

Sonny Portelli  
Chairman

Michael Warrington  
Director

## GO p.l.c.

**Consolidated Balance Sheet**

As at 30 June 2008

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		<b>30.06.08</b>	31.12.07
	<b>Note</b>	<b>€000</b>	<b>€000</b>
<b>ASSETS</b>			
Property, plant and equipment	9	<b>119,527</b>	125,439
Intangible assets	10	<b>9,753</b>	11,491
Investment in jointly-controlled entity	11	<b>18,581</b>	-
Other investments	12	-	34,435
Loans receivable from jointly-controlled entity	11	<b>32,196</b>	-
Finance lease receivables		<b>530</b>	685
Deferred tax assets		<b>1,154</b>	254
		-----	-----
<b>Total non-current assets</b>		<b>181,741</b>	172,304
		-----	-----
Inventories		<b>2,940</b>	2,453
Trade and other receivables		<b>45,955</b>	44,950
Tax recoverable		-	19
Cash at bank and in hand		<b>20,155</b>	47,055
		-----	-----
<b>Total current assets</b>		<b>69,050</b>	94,477
		-----	-----
<b>Non-current assets classified as held for sale</b>		<b>2,479</b>	2,555
		-----	-----
<b>Total assets</b>		<b>253,270</b>	269,336
		=====	=====
<b>EQUITY</b>			
Issued capital		<b>58,998</b>	58,998
Reserves		<b>4,096</b>	3,548
Retained earnings		<b>117,624</b>	133,555
		-----	-----
<b>Total equity</b>		<b>180,718</b>	196,101
		-----	-----

## GO p.l.c.

**Consolidated Balance Sheet (continued)**

As at 30 June 2008

		<b>30.06.08</b>	31.12.07
	<b>Note</b>	<b>€000</b>	<b>€000</b>
<b>LIABILITIES</b>			
Loans and borrowings		<b>6,417</b>	6,131
Provisions	7	<b>6,078</b>	32
<b>Total non-current liabilities</b>		<b>12,495</b>	6,163
Loans and borrowings		<b>5,267</b>	21,274
Trade and other payables		<b>43,321</b>	45,798
Provisions	7	<b>7,080</b>	-
Current taxation		<b>4,389</b>	-
<b>Total current liabilities</b>		<b>60,057</b>	67,072
<b>Total liabilities</b>		<b>72,552</b>	73,235
<b>Total equity and liabilities</b>		<b>253,270</b>	269,336

The condensed consolidated interim financial statements on pages 3 to 20 were approved by the Board of Directors on 28 August 2008 and were signed on its behalf by:

Sonny Portelli  
Chairman

Michael Warrington  
Director

## GO p.l.c.

**Consolidated Statement of Changes in Equity**

For the Period 1 January 2007 to 30 June 2007

	<b>Total</b>	<b>Share capital</b>	<b>Other reserve</b>	<b>Fair value reserve</b>	<b>Insurance contingency reserve</b>	<b>Retained earnings</b>
	€000	€000	€000	€000	€000	€000
Balance at 1 January 2007	195,674	58,998	4,733	855	466	130,622
Changes in equity for the period ended 30 June 2007:						
Change in fair value of other investments	(1,534)	-	-	(1,534)	-	-
Deferred taxation	19	-	-	19	-	-
Net income recognised directly in equity	(1,515)	-	-	(1,515)	-	-
Profit for the period	8,251	-	-	-	-	8,251
Total recognised income and expense for the period	6,736	-	-	(1,515)	-	8,251
Dividends paid	(11,800)	-	-	-	-	(11,800)
Transfer from retained earnings:						
Unrealised gains	-	-	(325)	-	-	325
Balance at 30 June 2007	190,610	58,998	4,408	(660)	466	127,398

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## Consolidated Statement of Changes in Equity (continued)

For the Period 1 January 2008 to 30 June 2008

	Total	Share capital	Other reserve	Fair value reserve	Insurance contingency reserve	Retained earnings
	€000	€000	€000	€000	€000	€000
Balance at 1 January 2008	196,100	58,998	3,021	(56)	582	133,555
Changes in equity for the period ended 30 June 2008:						
Change in fair value of other investments	99	-	-	99	-	-
Deferred taxation	(43)	-	-	(43)	-	-
Net income recognised directly in equity	196,156	58,998	3,021	-	582	133,555
Loss for the period	(4,399)	-	-	-	-	(4,399)
Total recognised income and expense for the period	191,757	58,998	3,021	-	582	129,156
Dividends paid	(11,803)	-	-	-	-	(11,803)
Share of equity movement in jointly-controlled entity	764	-	764	-	-	-
Transfer from retained earnings:						
Unrealised gains	-	-	(271)	-	-	271
<b>Balance at 30 June 2008</b>	<b>180,718</b>	<b>58,998</b>	<b>3,514</b>	<b>-</b>	<b>582</b>	<b>117,624</b>

## GO p.l.c.

**Consolidated Income Statement**

For the Period 1 January 2008 to 30 June 2008

	30.06.08	30.06.07
Note	€000	€000
<b>CONTINUING OPERATIONS</b>		
Revenue	<b>64,215</b>	63,187
Cost of sales	<b>(37,770)</b>	(33,599)
	-----	-----
<b>Gross profit</b>	<b>26,445</b>	29,588
Other income	<b>655</b>	130
Administrative and distribution expenses	<b>(13,708)</b>	(15,705)
Voluntary retirement costs	6 <b>(316)</b>	(1,679)
Other expenses	<b>(241)</b>	(277)
Provision for pensions	7 <b>(11,798)</b>	-
	-----	-----
<b>Results from operating activities</b>	<b>1,037</b>	12,057
	-----	-----
Finance income	<b>627</b>	1,164
Finance expenses	<b>(354)</b>	(328)
	-----	-----
<b>Net finance income</b>	<b>273</b>	836
	-----	-----
Impairment loss on goodwill	-	(349)
Share of results of equity-accounted investees	<b>(2,658)</b>	(40)
Impairment loss on non-current assets classified as held for sale	<b>(76)</b>	-
	-----	-----
<b>(Loss)/profit before income tax</b>	<b>(1,424)</b>	12,504
Income tax expense	8 <b>(2,975)</b>	(4,253)
	-----	-----
<b>(Loss)/profit for the period</b>	<b>(4,399)</b>	8,251
	=====	=====
<b>Earnings per share</b>	<b>(4c3)</b>	8c1
	=====	=====

## GO p.l.c.

**Consolidated Cash Flow Statement**

For the Period 1 January 2008 to 30 June 2008

	<b>30.06.08</b>	30.06.07
<b>Note</b>	<b>€000</b>	<b>€000</b>
<b>Cash flows from operating activities</b>		
(Loss)/profit for the period	<b>(4,399)</b>	8,251
Adjustments for:		
Income tax expense	<b>2,975</b>	4,253
Depreciation, amortisation and write-downs	<b>12,896</b>	10,634
Net finance income	<b>(273)</b>	(836)
Share of results of equity-accounted investees	<b>2,658</b>	40
Impairment loss on goodwill	<b>-</b>	349
Net loss arising on disposal of property, plant and equipment	<b>103</b>	-
Net increase in provisions and write offs/write backs	<b>188</b>	1,072
Voluntary retirement costs	<b>316</b>	1,679
Provision for pensions	<b>11,798</b>	-
Impairment loss on non-current assets classified as held for sale	<b>76</b>	-
Liabilities written back	<b>(20)</b>	-
	<b>26,318</b>	25,442
Change in inventories	<b>(550)</b>	(193)
Change in trade and other receivables	<b>(4,121)</b>	(2,895)
Change in trade and other payables	<b>1,763</b>	7,078
Change in associate's balance	<b>-</b>	(7)
	<b>23,410</b>	29,425
Interest received	<b>184</b>	314
Interest paid on bank overdrafts	<b>(33)</b>	(30)
Net taxation refunded / (paid)	<b>576</b>	(1,307)
Refund of VAT	<b>3,435</b>	-
Payment of voluntary retirement costs	<b>(564)</b>	(1,346)
	<b>27,008</b>	27,056
<b>Cash flows from investing activities</b>		
Payments to acquire property, plant and equipment	<b>(8,240)</b>	(9,457)
Payments to acquire investment in jointly-controlled entity	<b>(10,000)</b>	-
Payments to acquire investments	<b>-</b>	(5,880)
Receipts from disposal and realisation of investments	<b>34,677</b>	-
Receipts from disposal of property, plant and equipment	<b>1</b>	-
Payments of expenses on behalf of jointly-controlled entity	<b>(43)</b>	-
Amounts advanced to jointly-controlled entity	<b>(42,625)</b>	-
Investment income received	<b>268</b>	368
	<b>(25,962)</b>	(14,969)
carried forward	<b>1,046</b>	12,087

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**Consolidated Cash Flow Statement (continued)**

For the Period 1 January 2008 to 30 June 2008

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	<b>30.06.08</b>	30.06.07
	<b>€000</b>	€000
brought forward	<b>1,046</b>	12,087
	-----	-----
<b>Cash flows from financing activities</b>		
Repayments of long term borrowings	<b>(5,750)</b>	(4,188)
Dividends paid	<b>(11,797)</b>	(11,786)
Loan interest paid	<b>(389)</b>	(282)
Proceeds from long term bank borrowings	<b>2,428</b>	4,549
	-----	-----
<b>Net cash used in financing activities</b>	<b>(15,508)</b>	(11,707)
	-----	-----
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(14,462)</b>	380
Cash and cash equivalents at beginning of period	<b>33,936</b>	27,331
Effect of exchange rate fluctuations on cash held	<b>(30)</b>	(47)
Cash pledged as guarantees	<b>169</b>	(12)
Overdrawn bank balance acquired on acquisition of subsidiary	<b>-</b>	(1,209)
	-----	-----
<b>Cash and cash equivalents at end of period</b>	<b>19,613</b>	26,443
	=====	=====

# GO p.l.c.

## Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2008 to 30 June 2008

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### 1 Reporting entity

GO p.l.c. (“the Company”) was incorporated in Malta under the Companies Act, 1995 on 31 December 1997, and holds a licence for the provision of fixed-line telecommunications services in Malta. The Group is primarily involved in the provision of telecommunications services (both fixed and mobile), internet related services and digital terrestrial television in Malta. On 23 January 2008, GO p.l.c. acquired 50% of the share capital of a jointly-controlled entity, Forghendo Limited, a company registered in Cyprus (see note 11). The jointly-controlled entity holds an investment in an associate (see note 11), registered in Greece, which provides fixed-line telephony services and broadband services in Greece.

The condensed consolidated interim financial statements of the Group as at 30 June 2008 and for the six months then ended comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in the jointly-controlled entity.

The consolidated financial statements of the Group as at and for the year ended 31 December 2007 are available upon request from the Company’s registered office at Spencer Hill, Marsa.

### 2 Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with accounting standards adopted for use in the EU for interim financial statements (EU adopted IAS 34, *Interim Financial Reporting*).

There are no incompatibilities between the provisions of the Companies Act, 1995 and the requirements of EU Regulations in relation to the preparation of the interim financial statements.

The interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2007.

The condensed consolidated interim financial statements were approved by the Board of Directors on 28 August 2008.

### 3 Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2007. During the period, the Group has applied the following new accounting policy on jointly-controlled entity.

#### 3.1 Jointly-controlled entity

A joint venture is an entity over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

# GO p.l.c.

## Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2008 to 30 June 2008

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### **3 Significant accounting policies (continued)**

#### **3.1 Jointly-controlled entity (continued)**

A jointly-controlled entity is accounted for using the equity method and is recognised initially at cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group's share of the income and expenses and equity movements of the jointly-controlled entity, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases. When the Group's share of losses exceeds its interest in the jointly-controlled entity, the carrying amount of that interest (including any long-term investments that in substance form part of the Group's net investment in the jointly-controlled entity) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the jointly-controlled entity.

### **4 Estimates**

The preparation of interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited financial statements for the year ended 31 December 2007. In addition, significant estimates and judgments were exercised in computing the provision for pensions (see note 7).

### **5 Financial risk management**

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2007.

### **6 Restructuring costs**

The restructuring costs represent the costs payable to employees that retired voluntarily during the period.

# GO p.l.c.

## Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2008 to 30 June 2008

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### 7 Provision for pensions

Following the judgement on 7 July 2008 by the Court of Appeal, GO p.l.c. was mandated to set up a pension scheme effective from 1 January 1975. The scheme applies to employees that Telemalta Corporation had taken over from Cable and Wireless. GO p.l.c. is the successor in title to Telemalta Corporation. After analysing the impact of the judgement, the Group estimates that to date the cost of past and future benefits payable under the scheme amount to €13.2 million and is therefore recognising an additional provision amounting to €1.8 million.

The information usually required by IAS 19, *Employee Benefits* and IAS 37, *Provisions, Contingent Liabilities and Contingent Assets* is not disclosed on the grounds that it can be expected to prejudice seriously the outcome of the interpretation and implementation of the judgement.

### 8 Income tax

#### 8.1 Tax expense

The Group's consolidated effective tax rate for the six months ended 30 June 2008 was a negative 208.9% (for the year ended 31 December 2007: 39.6 %; for the six months ended 30 June 2007: 34.0%).

During the current period, the Group recognised a reversal of tax expense recognised in prior periods amounting to €2,043,678. After eliminating the effect of this reversal, the share of loss of the jointly-controlled entity and the provision for pensions, the Group's consolidated effective tax rate for the current period would amount to 38.5%.

#### 8.2 Current taxation

On 20 May 2008, the Group received a tax refund amounting to €1,583,037 from the Inland Revenue Department in respect of previous year.

### 9 Property, plant and equipment

#### 9.1 Acquisitions and disposals

During the six months ended 30 June 2008, the Group acquired assets with a cost of €5,157,917 (six months ended 30 June 2007: €8,808,873). During the same period, the Group wrote off assets with a carrying amount of €104,395 (six months ended 30 June 2007: €153,196).

#### 9.2 Impairment

During the six months ended 30 June 2008, the Group recognised no impairment losses (30 June 2007: €686,804).

# GO p.l.c.

## Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2008 to 30 June 2008

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### 9 Property, plant and equipment (continued)

#### 9.3 Capital commitments

The following are capital commitments of the Company and its subsidiaries:

	<b>30.06.08</b>	30.06.07
	<b>€000</b>	€000
Contracted for	<b>11,765</b>	7,214
Authorised but not yet contracted for	-	12,777
	-----	-----
	<b>11,765</b>	19,991
	=====	=====

The following are the Group's share of the capital commitments of the jointly-controlled entity:

Forthnet SA, the associate of the jointly-controlled entity (see note 11), has signed agreements for development of broadband access services which are expected to be completed by 31 October 2008. The Group's share of this entity's commitment amounts to €0.4 million.

The business plan of Forthnet SA projects the investment in an integrated, high speed broadband network for the provision of data, voice and content services. Forthnet SA is entitled to a 30% subsidy from the Greek Government against this investment. The Group's share of this investment and the Government subsidy equals to €4.83 million and €1.45 million, respectively.

### 10 Intangible assets

The decrease in intangible assets during the period is attributable to amortisation.

### 11 Investment in jointly-controlled entity

On 23 January 2008, GO p.l.c. acquired 50% of the share capital of a jointly-controlled entity, Forghendo Limited, a company registered in Cyprus. The jointly-controlled entity holds an investment in an associate, Hellenic Company for Telecommunications and Telematic Applications S.A. (Forthnet S.A.), a Greek company listed on the Athens Stock Exchange. Forthnet S.A. provides fixed-line telephony services and broadband services in Greece. As at 30 June 2008, the ownership interest of the jointly-controlled entity in Forthnet S.A. was 23.71%.

## GO p.l.c.

**Notes to the Condensed Consolidated Interim Financial Statements**

For the Period 1 January 2008 to 30 June 2008

**11 Investment in jointly-controlled entity (continued)****11.1 Equity investment**

Details of the cost of the investment and the accounting for the share of gains or losses of the jointly-controlled entity are as follows:

	€000
Cost of investment:	
Funds contributed	10,000
Expenses related to acquisition	46
Difference between fair value and face value of interest-free loan to jointly-controlled entity	10,429
	-----
	20,475
Share of gains/losses:	
Loss recognised in profit or loss	(2,658)
Gain recognised directly in equity	764
	-----
Carrying value of investment	18,581
	=====

**11.2 Loans receivable**

In addition, the Company advanced loans to the jointly-controlled entity subject to the following terms:

	Interest %	Repayable by	Balance €000
Loan 1	free	February 2013	26,494
Loan 2	6.66	June 2015	5,702

The above loans are not considered to be in substance part of the net investment in the jointly-controlled entity. The difference between fair value and face value of Loan 1 on initial recognition, amounting to €10,429,426, was recognised as an additional investment in the jointly-controlled entity. The balances detailed above are stated at fair value.

# GO p.l.c.

## Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2008 to 30 June 2008

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### 11 Investment in jointly-controlled entity (continued)

#### 11.3 Share of results

The following represents the Group's share of the assets, liabilities and results of the jointly controlled entity as at 30 June 2008:

	€000
<b>Assets</b>	
Non-current assets	48,932
	-----
<b>Total assets</b>	<b>48,932</b>
	=====
<b>Liabilities</b>	
Non-current liabilities	29,345
Current liabilities	1,051
	-----
<b>Total liabilities</b>	<b>30,396</b>
	=====
Share of loss recognised in profit or loss:	
Professional fees	69
Share of loss of associate (Forthnet S.A.) recognised in profit or loss of jointly-controlled entity	2,589
	-----
	<b>2,658</b>
	=====
Share of change in equity:	
Share of employee stock option plan	764
	=====

#### 11.4 Subsequent events

During an extraordinary general meeting of Forthnet S.A. held on 14 May 2008, its shareholders approved the increase of Forthnet S.A. share capital through a rights issue process. On 12 August 2008, Forthnet S.A. confirmed that 88.6% of the new shares available were subscribed by its shareholders. The jointly-controlled entity had earlier agreed to take up all rights issued by Forthnet S.A. to which it was entitled and also to apply for the oversubscription rights up to a total maximum investment of €300,000,000. GO p.l.c. was committed to finance up to a maximum of €100,000,000 of this investment. In exercising its rights and oversubscription rights, the jointly-controlled entity acquired a total of 42,709,866 new shares in Forthnet S.A. at a total additional investment of €109,764,356. The total outlay of GO p.l.c. towards this additional investment will amount to €54,882,178. These shares represent 29,892,441 new shares received as a result of the rights issue subscription process and 12,817,425 new shares received as a result of the oversubscription rights process. As at 12 August 2008, the jointly-controlled entity holds a total of 52,674,013 shares in Forthnet S.A. representing 33.89% (June 2008: 23.71%, see above) of the total issued shares of Forthnet S.A.

## GO p.l.c.

**Notes to the Condensed Consolidated Interim Financial Statements**

For the Period 1 January 2008 to 30 June 2008

**12 Other investments**

	<b>30.06.08</b>	31.12.07
	<b>€000</b>	€000
<b>Non-current investments</b>		
Available-for-sale financial assets	-	34,435
	=====	=====

During the current period, the Group disposed of all of its available-for-sale investments.

**13 Related parties****13.1 Parent and ultimate controlling party**

Following the share purchase agreement signed on 17 May 2006, the 60% Government's shareholding in GO p.l.c. was acquired by Emirates International Telecommunications (Malta) Limited ('the parent'), a company which forms part of the same group of companies of Dubai Holding LLC ('the ultimate controlling party').

**13.2 Related party transactions**

Consistent with what was reported in the audited financial statements for the year ended 31 December 2007, the Group maintained a related party relationship with its ultimate controlling party and entities controlled by it (see below), key management personnel, close members of their family, entities controlled by them and the jointly-controlled entity.

There were no loans to directors during the current and comparative period.

		<b>Six months ended</b>	
		<b>30.06.08</b>	30.06.07
	<b>Note</b>	<b>€000</b>	€000
<b>Ultimate controlling party and entities controlled by it</b>			
Services provided to		<b>26</b>	23
Services provided by		<b>130</b>	268
Dividends payable		<b>7,078</b>	7,079
Dividends paid		<b>7,078</b>	7,079
		=====	=====
<b>Jointly-controlled entity</b>			
Loans advanced to	11.2	<b>42,625</b>	-
Payment of expenses on behalf of		<b>43</b>	-
		=====	=====

## GO p.l.c.

## Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2008 to 30 June 2008

**13 Related parties (continued)****13.3 Related party balances**

		<b>30.06.08</b>	31.12.07
	Note	€000	€000
<b>Ultimate controlling party and entities controlled by it</b>			
Amount receivable from		<b>33</b>	5
Amount payable to		<b>131</b>	489
		=====	=====
<b>Jointly-controlled entity</b>			
Amount receivable from		<b>787</b>	-
Loans receivable from	11.2	<b>32,196</b>	-
		=====	=====

**14 Contingencies**

There were no significant changes in the contingencies of the Company and its subsidiaries from those disclosed in the consolidated financial statements of the Group for the year ended 31 December 2007.

The Group's share of claims for compensation by third parties against the associate of the jointly-controlled entity (see note 11) amounts to €6.37 million.

Forthnet Media Holdings SA, a fully owned subsidiary of the associate of the jointly-controlled entity (see note 11), has entered into an agreement to acquire all the shares of NetMed N.V. and Intervision (Services) B.V. at a total consideration equal to the enterprises' value of the acquired companies of €490 million. In order to partially finance such acquisitions, Forthnet Media Holding SA has entered into a 9 year bond loan of up to €245 million which will be drawn down at closing of the acquisition. Forthnet SA, as the immediate parent of Forthnet Media Holdings SA, will guarantee the obligations of its subsidiary under the bond loan and provide a pledge over the total shares of Forthnet Media Holdings SA. The Group's share of this commitment amounts to €3 million.

# GO p.l.c.

## Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2008 to 30 June 2008

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### 15 Segment reporting

The Group identifies its business lines as its basis for primary segment reporting in accordance with IAS 14, Segment Reporting.

#### 15.1 Business segments

Management organises its business into three major business lines, namely 'Fixed', 'Mobile' and 'Other' and defines these business lines as follows:

*Fixed Communication Services (Fixed)* comprise the Group's fixed-line telephony services, digital television services, sale of broadband, Internet services and other business communication solutions.

*Mobile Communication Services (Mobile)* comprise the Group's mobile telephony services.

*Other Services (Other)* comprise the Group's call centre operation.

The Group's internal reporting to the Board of Directors and senior executives is analysed according to the above segments.

#### 15.2 Analysis by business segment

	Fixed Line	Mobile	Other	Eliminations	Consolidated
	€000	€000	€000	€000	€000
<b>Period 1 January 2008 to 30 June 2008</b>					
Revenue	40,966	25,556	2,518	(4,825)	64,215
	=====	=====	=====	=====	=====
Segment profit before significant items	5,071	7,330	748	2	13,151
Voluntary retirement costs	(316)	-	-	-	(316)
Provision for pensions	(11,798)	-	-	-	(11,798)
	-----	-----	-----	-----	-----
<b>Segment (loss) / profit</b>	<b>(7,043)</b>	<b>7,330</b>	<b>748</b>	<b>2</b>	<b>1,037</b>
	=====	=====	=====	=====	=====
Unallocated items:					
Finance income					627
Finance expenses					(354)
Impairment on non-current asset held for sale					(76)
Share of loss of jointly-controlled entity					(2,658)
Taxation					(2,975)
					-----
<b>Loss for the period</b>					<b>(4,399)</b>
					=====

For a description of the operations of the jointly-controlled entity and its associate refer to note 11.

## GO p.l.c.

## Notes to the Condensed Consolidated Interim Financial Statements

For the Period 1 January 2008 to 30 June 2008

**15 Segment reporting (continued)****15.2 Analysis by business segment (continued)**

	Fixed Line	Mobile	Other	Eliminations	Consolidated
	€000	€000	€000	€000	€000
Period 1 January 2007 to 30 June 2007					
Revenue	40,496	23,848	2,749	(3,906)	63,187
	=====	=====	=====	=====	=====
Segment profit before significant item	6,399	7,121	35	181	13,736
Voluntary retirement costs	(1,679)	-	-	-	(1,679)
	-----	-----	---	----	-----
Segment profit	4,720	7,121	35	181	12,057
	=====	=====	==	===	=====
Unallocated items:					
Finance income					1,164
Finance expenses					(328)
Impairment of goodwill					(349)
Share of associate's results					(40)
Taxation					(4,253)
					-----
Profit for the period					8,251
					=====

**15.3 Analysis by geographical segment**

The Group considers all its services including the termination of international incoming calls and the provision of roaming services to foreign network subscribers as being provided locally.

GO p.l.c.

**Statement pursuant to Listing Rule 9.44k.3 issued by the Listing Authority**

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I hereby confirm that to the best of my knowledge:

- the condensed consolidated interim financial statements give a true and fair view of the financial position of the Group as at 30 June 2008, as well as of the financial performance and cash flows for the said period, fully in compliance with the accounting standards adopted for use in the EU for interim financial statements (EU adopted IAS 34, *Interim Financial Reporting*);
- the Interim Directors' report includes a fair review of the information required in terms of Listing Rule 9.44k.2.

Sonny Portelli  
Chairman