Globo plc
Press Announcement

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GLOBO plc

INTERIM RESULTS FOR THE 6 MONTHS ENDED 30 JUNE 2013

Globo plc (LSE-AIM: GBO), the international leader and technology innovator delivering enterprise mobility management and telecom software products and solutions, is pleased to announce its unaudited interim results for the 6 months ended 30 June 2013.

Financial Highlights

- Revenues **UP** 52% to €32.03 million (H1 2012: €21.13 million);
- EBITDA **UP** 44% to €18.64 million (H1 2012: €12.93 million);
- Profit before tax **UP** 74% to €14.47 million (H1 2012: €8.33 million);
- Earnings per share **UP** 58% to €0.041 (H1 2012: €0.026);
- International revenues **UP** 74% to €28.40 million (H1 2012: €16.34 million) representing 89% (H1 2012: 77%) of total revenues.

Operational Highlights

- Secured a North American distribution agreement for GO!Enterprise with Ingram Micro Inc., the world's largest IT and Mobility Distributor. Globo subsequently completed the first "closed loop" sales circle for GO!Enterprise Mobility in a Box and moved into the second phase of commercial distribution across N. America;
- Secured numerous partnerships and alliances with global technology companies, including IBM and Fujitsu;
- Secured a €20 million 3-year revolving credit line, with a €5 million extension option, with Barclays Bank plc, to fund growth, investments and acquisitions, also significantly reducing interest costs.
- Successfully rolled out the GO!Enterprise247 cloud offering which is now commercially available and creates the platform for future growth within the smaller business market;
- Winning recognition from industry analysts including Gartner, VDC, Ovum and IDC;
- Winning customers in a range of geographies, including well- known names such as First Data, Coral, Dixons, Estee Lauder, European Reliance and Mercedes Benz;
- Globo Technologies S.A., in which Globo retains a significant minority holding, is performing ahead of budget and contributed to profit during the period.

Performance Drivers for the first half of 2013

- Revenues from CitronGO! and GO!Social, generated in 32 countries, increased by 22% to €17.9 million (H2 2012: €14.7m) driven by consumer demand in emerging markets for internet services and social media through feature phones;

- Revenues from GO!Enterprise are now being generated in more than 16 countries, and increased by 132% to €10.2 million (H2 2012: €4.4m) driven by the BYOD ("Bring Your Own Device") trend and demand for mobile applications;
- Ongoing investment in technology, products and expansion of our global distribution footprint, generating cross-selling opportunities and entry into new markets.

On Globo's outlook, non-executive Chairman, Barry Ariko comments:

"Globo's growing reputation in consumer and enterprise mobile markets around the world is being translated into a strong, profitable trading performance. Demand for our market-leading products and services are being supported by positive market trends, particularly BYOD, and we are continuing to invest in R&D to strengthen our competitive edge. The potentially substantial contribution from Enterprise Mobility in a Box and Go!Enterprise 247 cloud offering and the positive trading so far in the normally strong second half, have increased our confidence in achieving market forecasts for the full year."

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CHIEF EXECUTIVE OFFICER STATEMENT

Introduction

We are pleased to present Globo's financial results for the six months to 30 June 2013 during which we have sustained our growth momentum, achieved strong, profitable growth in the international mobile market, giving us confidence that we will achieve market expectations, in both revenue and profits, for the full year.

During the first half, we have reached several milestones that have strengthened Globo's competitive position in one of today's most exciting technology markets, driven by the continuing growth of demand for smartphone and tablets and applications from both consumers and enterprises.

Achievements for the period include:

- Distribution agreements with companies all over the world, most importantly with the largest technology and mobility distributor globally, Ingram Micro Inc.;
- Technology alliances and reseller agreements with partners and technology firms such as IBM and Arrow that augment existing agreements including with Samsung, Fujitsu, Prestigio and Bull;
- Securing a €20 million 3-year revolving credit line, with a €5 million extension option, with Barclays Bank plc, reducing interest costs and providing additional funds for working capital, investments and potential acquisitions;
- Recognition from technology analysts such as Gartner, OVUM, VDC, and IDC in addition to a commitment to marketing that has established Globo as one of the leading companies in enterprise mobility amongst its peers; and
- Strengthening our competitive edge through "cloud" technology and product development, generating significant new market opportunities in the retail and SME markets.

Both the Consumer and Enterprise mobile product lines have grown significantly to generate a solid recurring revenue and profit base for the Group.

This is reflected in Group revenues which increased by 52% to €32.03 million (6 months continued operations ended 30 June 2012: €21.1 million), with EBITDA increasing by 44% to €18.64 million (H1 2012: €12.93 million) and profit before tax increasing by 74% to €14.47 million (H1 2012: €8.33 million).

This strong performance reflects building demand for our GO! Enterprise platform, which recorded revenue growth of 132% to €10.2 million (H1 2012: €4.4 million), and our consumer mobility products (CitronGO! and GO!Social) which recorded revenue growth of 22% to €17.9 million (H1 2012: €14.7 million).

Strategy

Globo's strategic goal remains to become a global leader in the field of enterprise and consumer mobility and its near-term objectives are to:

- Maintain organic growth, exploiting well-timed entries into key markets;
- Increase our business development efforts in the USA and Western Europe where the Enterprise Mobility and BYOD trends are most advanced;
- Extend product capabilities through continued investment, albeit monitored and balanced against revenue contribution opportunities; and
- Actively pursue suitable acquisition opportunities which can improve our product capabilities, extend our personnel skill- sets, enable entry into new markets and expand our client base.

Operations

During the period, mobile solutions delivered a 47% increase in revenues to €28.02 million (H1 2012: €19.12 million).

CitronGO! and **GO!Social** continued to grow, increasing revenues by 22% in the first half of 2012, and accounting for 56% of total revenues for the period.

GO!Enterprise achieved increased market recognition, and contributed a significant part (32%) of first half Group revenue.

Based on the success achieved to date and the feedback received from our global network of partners and our own offices, we believe that GO!Enterprise revenues will soon become the most significant part of Group revenue. Our aggressive growth plans are underpinned by global growth in demand for smartphones and tablets as well as the BYOD trend.

At the same time we foresee that CitronGO! will continue to grow as, for the bulk of emerging markets, the smartphone era is still evolving at a slow pace.

Specifically:

GO!Enterprise

GO!Enterprise offers a complete platform of tools for the implementation of BYOD strategies together with a unique Mobile Applications Development Platform (MADP) to help organisations build cross-platform, enterprise grade security apps for their employees and customers.

GO!Enterprise is targeting the enterprise mobility market through two main channels: MNOs (Mobile Network Operators) and Value Added Resellers such as System Integrators, Software Vendors and Consultants.

Revenues from GO!Enterprise are recognised in two main categories:

1) Licensing of GO!Enterprise via three different licensing options; a monthly recurring licence; a yearly renewable licence; or a perpetual licence provided with software assurance service contracts.

2) Additionally Globo recognises revenues from consulting and implementation services for the development of tailor-made solutions and apps for customers or partners. For this specific category we have formed a new business unit, Mobility Business Solutions (MBS), to focus on offering a holistic solution to customers and partners who want to leverage GO!Enterprise's cross mobile platform application development capabilities.

As at 30 June 2013 GO!Enterprise Licensing contributed 57%, and GO!Enterprise Consulting Services contributed 43% to total GO!Enterprise Revenue.

Since the beginning of the year we have focused on extending the GO!Enterprise offering in the cloud and into a retail-oriented package creating Enterprise Mobility in a Box. Provisioned by Globo via the Cloud, this has created significant growth opportunities as it addresses smaller organisations that lack IT infrastructure or expertise .

In February we announced an exclusive distribution agreement with Ingram Micro, the world's largest IT and mobility distributor for Enterprise Mobility in a Box throughout the USA and Canada. After intensive work in finalising commercial details and packaging we delivered the first shipment of 3,000 boxes at the end of June and we entered in the first closed loop sales with selected Ingram Micro partners (e.g. Arjay Wireless) mentioned earlier. Since then we have also recognised sales of hundreds of boxes which takes us to the next stage of the full rollout planned for this autumn. To facilitate this we have engaged in an intensive marketing program with Ingram Micro to educate the whole sales channel across the US, involving sales training, webinars, live demo events and inclusion in mailed catalogues. We expect that, as the success of the initial closed loop sales scales up to the level of nationwide retailers with much greater sales capacity, our Ingram Micro distribution agreement could exceed our initial expectations.

At the same time, numerous reselling agreements for Enterprise Mobility in a Box have been put in place with resellers in UK, Germany and Australia, making us even more confident that we can achieve our targets.

Last but not least, our Globo website-provisioned Cloud offering is already making progress. Initial sales indicate the potential for a significant contribution to recurring revenues from this unmanaged market segment prompted by intensive internet marketing and SEO (Search Engine Optimisation) programmes that we are currently putting in place.

In addition we continue to improve our product offering by adding functionalities such as the SmartOffice integration, two factor authentication, Geo tagging capabilities, and Security Certificates integration.

We are planning the commercial launch of GO!Enterprise V.2 at the CTIA-MobileCon™ event in San Jose, taking place on 16-18 October. This version will include a significantly improved Mobile Application Development Studio that enables HTML5, CSS, JavaScript coding within our secure Container, offering the opportunity for web developers to develop secure cross platform mobile apps for Enterprises.

As GO!Enterprise maintains its growth momentum and the BYOD and apps markets continue to evolve, we are confident that GO! Enterprise will establish Globo a sone of the top companies in the industry and will generate substantial profitable growth over the coming years.

CitronGO! / GO!Social

CitronGO! and GO!Social offer a unique "smartphone like" experience for feature phones by enabling user interaction with multiple services such as social networking, instant messaging, e-mail, or access to folders, addressing both personal and professional daily needs.

These services are offered on a white label basis and specifically target feature phone customers, notably in emerging markets.

Emerging markets constitute a significant growth opportunity for Globo given their massive population concentration. Demand for internet access combined with often limited bandwidth capacity and restricted buying power make CitronGO! and GO!Social attractive as a solution that addresses all these factors and maximises the return for both users, MNOs and VARS.

Revenues are generated from services provided to end users via Value Added Service Providers and Mobile Network Operators based on their own subscription application and content offerings.

As a result, CitronGO! and GO!Social are now being offered in 32 countries throughout Europe, Africa, Latin America, Asia and the Middle East, via mobile value added service providers (MVASPs) as part of their own subscription application and content offerings. Globo receives a fixed service fee per month per active user.

Telecom - S.a.a.S Solutions

During the first half of 2013, Telecom - S.a.a.S Solutions revenues grew by 81% to €3.64 million (H1 2012: €2.01 million).

The key services in this segment are:

- Globo's WiPLUS WiFi Service consisting of a fully managed service provided to hotels, airports, marinas and similar locations, with Globo receiving revenues from venue owners; MVAS Services provided to MNOs and other VASPs by Reach Further Communications; and other telecom services provided to international telecom carriers from Globo Mobile Inc. Globo continues to expand its product offering within this segment, which is EBITDA enhancing to overall performance and supports the Group's overall mobile offering whilst increasing market footprint.

Outlook

Globo's unique positioning in the emerging markets, with consumer services, and the advanced markets, with enterprise mobile offerings, sets the standard for future growth, driven by established major market trends, and for sustainable, recurring revenues.

More important, Globo's current level of recognition and ongoing success in the enterprise mobility market, one of the hottest technology markets today, constitutes a significant reason to expect Globo to become one of the global leaders in a highly valued sector.

Driven by innovative ideas, targeted investments, motivated employees and aggressive business development, Globo has all the prerequisites to succeed in this highly competitive market.

Positive trading so far in the normally stronger, second half, with our international business continuing to grow strongly, and the prospect of a significant contribution from Enterprise Mobility in a Box in North America gives us confidence in achieving market forecasts for the year.

Costis Papadimitrakopoulos
Chief Executive Officer

Financial Review

In the six months ended 30 June 2013, the Group delivered a strong financial performance, with all main business areas contributing.

Revenue increased by 52% to €32.03 million (H1 2012: €21.13 million), reflecting strong growth mainly in the mobile sector of the Group.

Gross profit increased by 40% to €17.05 million (H1 2012: €12.14 million) with gross margin of 53% (H1 2012: 57%).

Operating profit, excluding depreciation and amortisation (EBITDA), increased 44% to €18.64 million (H1 2012: €12.93 million) with operating margin increasing to 45% (H1 2012: 40%).

Depreciation and amortisation of non-current assets was €4.11 million (H1 2012: €4.55 million), reflecting the significant investment in product development.

Operating profit increased by 73% to €14.53 million (H1 2012: €8.38 million).

Profit before tax was €14.47 million, an increase of 74% over the same period last year (H1 2012: €8.33 million).

The taxation charge for the period was €0.6 million (H1 2012: €0.2 million).

Basic earnings per share for the half year grew by 58% to €0.041 (H1 2012: €0.026).

The Group's balance sheet, as at 30 June 2013, reflects a net asset position of €98.45 million. Total assets were €119.68 million (H1 2012: €105.34 million). Total assets included €45.66 million in non-current assets, €6.06 million in inventories and work in progress, €46.46 million in trade and other receivables, prepayments and other current assets. Total liabilities decreased by 36% to €21.23 million.

Trade receivables increased only by 4% compared to the Group's revenue increase (52%). All receivables are healthy and 60% of them are outstanding for less than 90 days.

On 30 June 2013, cash and cash equivalents totalled €21.50 million (30 June 2012: €25.88 million) and net cash was €10.84 million.

Working capital movements resulted in a net operating cash flow of €2.36 million (H1 2012: €6.22 million).

During the period a total of €6.01 million (H1 2012: €5.83million) was invested in product development and infrastructure, mainly for the mobile products and services of the Group. The Group maintained its R&D strategy with investment costs at the same level as in the first six months of 2012.

On 30 May 2013 the Group secured a 3-year revolving credit line with Barclays Bank plc, amounting to €20 million, with a €5 million extension option. The interest rate is Euribor / Libor + 4.25% compared to the average rate of 9.1% paid on credit lines previously arranged. This facility will reduce our ongoing interest cost expenses and will provide additional funding capacity for working capital, investments and possible acquisitions. Previous loans outstanding of circa €5 million were fully repaid.

The divested company Globo Technologies S.A. is out-performing expectations and trading ahead of forecasts. For the six months ended 30 June 2013, its revenue increased by 233% to €13.64 million (H1 2012: €4.09 million). It has a pipeline of public and private sector contracts of more than €10 million to the end of the year.

Profit after tax reached €1.49 million, with that attributable to the Globo Group, as a 49% shareholder, being €0.7 million.

Dimitris Gryparis
Chief Financial Officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 6 months ended 30 June 2013

	Six months ended 30 June 2013 €'000 (unaudited)	Six months ended 30 June 2012 €'000 (unaudited)	Year ended 31 December 2012 Continuing Operations €'000 (audited)
Continuing Operations			
Revenue (Note 2)	**32,029**	**21,129**	**46,007**
Cost of sales	(14,978)	(8,985)	(21,926)
Gross Profit	**17,051**	**12,144**	**24,081**
Other operating income	1,748	-	704
Distribution expenses	(1,552)	(831)	(2,255)
Administrative expenses	(3,296)	(2,472)	(4,751)
Other operating expenses	(149)	(461)	-
Share of gain / (loss) of associate	728	-	(297)
Operating Profit	**14,530**	**8,380**	**17,482**
Finance income	262	6	45
Finance costs	(324)	(53)	(309)
Profit before Tax	**14,468**	**8,333**	**17,218**
Taxation	(569)	(205)	(675)
Profit for the period from continuing operations	**13,899**	**8,128**	**16,543**
Discontinued operations			
Profit for the period from discontinued operations before taxes	-	(2,475)	1,547
Taxes on discontinued operations	-	(1,285)	(286)

Total		**(3,760)**	**1,261**
Other comprehensive income from continued operations			
Exchange differences on translating foreign discontinuing operations	(1,413)	857	(6)
	(1,413)	**857**	**(6)**
Other comprehensive income for the period, net of tax			
Total comprehensive income for the period	**12,486**	**5,225**	**17,798**
Attributable to :			
Equity holders of the Company from continuing operations	13,899	8,128	16,543
Equity holders of the Company from discontinuing operations	-	(3,760)	1,261
Non-controlling interests	**-**	**-**	-
	13,899	**4,368**	**17,804**
Total comprehensive income attributable to:			
Equity holders of the Company from continuing operations	12,486	8,985	16,537
Equity holders of the Company from discontinuing operations	-	(3,760)	1,261
Non-controlling interests	**-**	**-**	-
	12,486	**5,225**	**17,798**
Earnings per share for profit from continuing operations attributable to the equity holders of the Company			
Basic and diluted earnings per share continuing operations (€ per share) (Note 3)	**0.041**	0.026	0.052

Basic and diluted earnings per share			
total operations (€ per share) (Note 3)	**0.041**	0.014	0.056

CONSOLIDATED BALANCE SHEET

At 30 June 2013

	As at 30 June 2013 €'000 (unaudited)	**As at 30 June 2012 €'000** (unaudited)	**As at 31 December 2012 €'000** (audited)
ASSETS			
Non–Current Assets			
Property, plant and equipment	1,381	3,832	1,330
Intangible assets	23,001	21,834	21,121
Goodwill	742	980	742
Other receivables	9,312	81	9,722
Investment in an associate	11,225	-	10,464
Total Non-Current Assets	**45,661**	**26,727**	**43,379**
Current Assets			
Inventories and work in progress	6,058	4,722	4,537
Trade receivables	27,905	26,837	18,411
Other receivables	2,936	265	4,000
Other current assets	15,615	20,902	11,251
Cash and cash equivalents	21,502	25,882	19,174
Total Current Assets	**74,016**	**78,608**	**57,373**
TOTAL ASSETS	**119,677**	**105,335**	**100,752**
EQUITY AND LIABILITIES			
Shareholders' Equity			
Ordinary shares	4,254	4,161	4,224

Share premium	39,411	37,978	39,067
Other reserves	5,104	5,555	5,221
Reverse acquisition reserve	-	351	-
Translation reserve	(1,037)	1,239	376
Retained earnings	50,718	22,632	36,679
	98,450	71,916	85,567
Non-controlling interest in equity	-	-	-
Total Equity - Capital and Reserves	**98,450**	**71,916**	**85,567**
Non–Current Liabilities			
Borrowings	10,661	7,506	4,133
Retirement benefit obligations	113	282	113
Finance lease liabilities	16	1,410	-
Other liabilities	157	223	227
Provisions for other liabilities and charges	13	55	13
Deferred tax liabilities	1,981	2,720	1,768
Taxes payable	-	7	-
Total Non - Current Liabilities	**12,941**	**12,203**	**6,254**
Current Liabilities			
Trade and other payables	5,092	11,275	5,084
Income tax payable	775	1,402	432
Taxes payable	253	490	515
Borrowings	-	6,075	890
Finance lease liabilities	7	96	-
Other liabilities	2,159	1,878	2,010
Total Current Liabilities	**8,286**	**21,216**	**8,931**
TOTAL EQUITY AND LIABILITIES	**119,677**	**105,335**	**100,752**

CONSOLIDATED CASH FLOW STATEMENT

For the 6 months ended 30 June 2013

	Six months ended 30 June 2013 €'000 (unaudited)	Six months ended 30 June 2012 €'000 (unaudited)	Year ended 31 December 2012 €'000 (audited)
Cash Flows from Operating Activities			
Cash generated from operations (Note 4)	2,697	6,789	14,243
Interest paid	(324)	(548)	(1,031)
Income tax paid	(13)	(18)	(28)
Net Cash from Operating Activities	**2,360**	**6,223**	**13,184**
Cash Flow used in Investing Activities			
Acquisition of subsidiary, net of cash acquired	-	(203)	(203)
Cash consideration for fixed asset investments	(33)	-	-
Disposal of subsidiary, net of disposed cash	-	-	(6,661)
Purchases of tangible and intangible assets	(6,013)	(5,831)	(11,672)
Proceeds from sale of tangible and intangible assets	-	29	27
Interest received	6	84	176
Net Cash used in Investing Activities	**(6,040)**	**(5,921)**	**(18,333)**
Cash Flows from Financing Activities			
Proceeds from issue of share capital	372	11,952	12,137
Share issue expenses	-	(679)	(672)
Proceeds from borrowings	12,296	6,827	6,796
Repayment of borrowings	(5,022)	(1,741)	(2,979)
Repayments of obligations under finance leases	(3)	(191)	(297)
Financing Fees of Senior Secured Term Loan	(1,635)	-	-
Net Cash from Financing Activities	**6,008**	**16,168**	**14,985**
Net Increase in Cash and Cash Equivalents	**2,328**	**16,470**	**9,836**

Movement in Cash and Cash Equivalents			
Cash and cash equivalents at the beginning of the period	19,174	9,338	9,338
Exchange gain / (loss) on cash and cash equivalents	-	74	-
Net increase in cash and cash equivalents	2,328	16,470	9,836
Cash and Cash Equivalents at the End of the Period	**21,502**	**25,882**	**19,174**

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2013

	Attributable to equity holders of the Company								
	Share Capital €'000	Share Premium €'000	Other Reserves €'000	Reverse Acquisition Reserve €'000	Currency Translation Reserve €'000	Retained Earnings €'000	Total €'000	Non Controlling Interest €'000	Total Equity €'000
Balance at 1 January 2012	**3,710**	**27,231**	**5,480**	**351**	**382**	**18,265**	**55,419**	**-**	**55,419**
Profit for the period	-	-	-	-	-	4,368	4,368	**-**	**4,368**
Other comprehensive income of the period	-	-	-	-	857	-	857	**-**	**857**
Total comprehensive income of the period	-	-	-	-	857	4,368	5,225	**-**	**5,225**
Increase in Capital	451	11,501	-	-	-	-	11,952	**-**	**11,952**
Share issue costs	-	(754)	75	-	-	-	(678)	**-**	**(678)**
Total contributions by and distributions to owners of the Company	451	10,747	75	-	-	-	11,272	-	11,272
Balance at 30 June 2012	**4,161**	**37,978**	**5,555**	**351**	**1,239**	**22,632**	**71,916**	**-**	**71,916**

Balance at 1 January 2013	**4,224**	**39,067**	**5,221**	**-**	**376**	**36,679**	**85,567**	**-**	**85,567**
Profit for the period	-	-	-	-	-	13,899	13,899	**-**	**13,899**
Other comprehensive income for the period	-	-	-	-	(1,413)	-	(1,413)	**-**	**(1,413)**
Total comprehensive income for the period	-	-	-	-	(1,413)	13,899	12,486	**-**	**12,486**
Increase in Capital	30	344	-	-	-	-	374		**374**
Share options lapsed	-	-	(117)	-	-	140	23	**-**	**23**
Total contributions by and distributions to owners of the Company	4,254	39,411	5,104	-	(1,037)	50,718	98,450	**-**	98,450
Balance at 30 June 2013	**4,254**	**39,411**	**5,104**	**-**	**(1,037)**	**50,718**	**98,450**	**-**	**98,450**

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the 6 months ended 30 June 2013

1 Basis of preparation

The condensed consolidated interim financial information for the 6 months ended 30 June 2013 has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting'. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2012, which have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

The financial information for the year ended 31 December 2012 does not constitute the full statutory accounts for that period. The Annual Report and Financial Statements for 2012 have been filed with the Registrar of Companies. The Independent Auditors' Report on the Annual Report and Financial Statement for 2012 was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

Critical accounting estimates

The preparation of condensed consolidated interim financial information requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period. Significant items subject to such estimates are set out in note 3(z) of the Group's 2012Annual Report and Financial Statements. The nature and amounts of such estimates have not changed significantly during the interim period.

2 Segment information

The operating segments are based on the management reports received by the Board of Directors who are the chief operating decision makers and which are used to make strategic decisions. The Directors consider the business from a product perspective. The main segments are:

Third party goods: The Group resells third party goods, to its customers, mainly comprising mobile accessories.

Telecom services (S.a.a.S): The Group combines telecom services with its own software products that are then sold on a "software as a service" basis.

Mobile products and services: The Group sells its own mobile software products and services to its clients (mobile network operators, value added service providers, handset manufacturers etc.)

The segment information for the 6 months ended 30 June 2013 is as follows:

	Third party goods €'000	**Telecom services (S.a.a.S.) €'000**	**Mobile products & Services €'000**	**Total €'000**	**Inter-segment balances €'000**	**Segment Total €'000**
Total segment revenue	373	4,089	63,927	68,389	-	**68,389**
Intersegment revenue	-	(448)	(35,912)	(36,360)	-	**(36,360)**
Revenue from external customers	373	3,641	28,015	32,029	-	**32,029**
Inventory costs	(320)	-	-	(320)	-	**(320)**
Other expenses	-	(2,251)	(37,492)	(39,743)	-	**(39,743)**
Amortisation	-	(1,473)	(2,492)	(3,965)	-	**(3,965)**
Intersegment costs	-	182	28,868	29,050	-	**29,050**
Gross Profit	**53**	**99**	**16,899**	**17,051**	**-**	**17,051**
Depreciation	-	55	85	140	-	**140**
Expenditure on tangible fixed assets	-	146	45	191	-	**191**
Expenditure on intangible fixed assets	-	185	5,658	5,843	-	**5,843**
Disposals of intangible assets	-	-	-	-	-	**-**
Total segment assets	300	19,910	138,448	158,658	(102,589)	**56,069**
Total segment liabilities	212	14,395	97,958	113,105	(102,589)	**10,516**

The segment information for the 6 months ended 30 June 2012 is as follows:

	Telecom services (S.a.a.S.) €'000	**Mobile products & Services €'000**	**Total €'000**	**Inter-segment balances €'000**	**Segment Total €'000**
Total segment revenue	4,482	19,382	23,864	-	**23,864**
Intersegment revenue	(2,472)	(263)	(2,735)	-	**(2,735)**
Revenue from external customers	2,010	19,119	21,129	-	**21,129**
Inventory costs	-	(1,873)	(1,873)	-	**(1,873)**
Other expenses	(1,879)	(6,059)	(7,938)	-	**(7,938)**
Amortisation	(850)	(2,111)	(2,961)	-	**(2,961)**
Intersegment costs	58	3,729	3,787	-	**3,787**
Gross Profit	**(661)**	**12,805**	**12,144**	**-**	**12,144**
Depreciation	77	1	78	-	**78**
Expenditure on tangible fixed assets	48	4	52	-	**52**
Expenditure on intangible fixed assets	1,705	2,248	3,953	-	**3,953**
Disposals of intangible assets	-	26	26	-	**26**
Total segment assets	14,696	54,139	68,835	(9,129)	**59,706**
Total segment liabilities	7,551	23,417	30,968	(9,129)	**21,839**

A reconciliation of gross profit to profit before taxation is provided as follows:

	Six months ended 30 June 2013 €'000 (unaudited)	**Six months ended 30 June 2012 €'000** (unaudited)

Gross profit for reportable segments	17,051	12,144
Other operating income	1,748	-
Distribution expenses	(1,552)	(831)
Administrative expenses	(3,296)	(2,472)
Other operating expenses	(149)	(461)
Income from associates	728	-
Finance costs (net)	(62)	(47)
Profit before tax	**14,468**	**8,333**

Revenue from external customers

	Six months ended 30 June 2013 €'000 (unaudited)	**Six months ended 30 June 2012 €'000** (unaudited)
South Europe	7,002	2,820
Western Europe	437	91
Eastern Europe	1,968	350
Asia/Middle East	7,638	6,067
Africa	4,550	1,568
Americas	6,806	5,441
Greece	3,628	4,792
Total	**32,029**	**21,129**

3 Earnings per Share

Basic earnings per share are calculated by dividing the profit after tax attributable to equity holders by the weighted average number of ordinary shares in issue during the period.

	Six months	**Six months**	**Year**

	ended 30 June 2013 (unaudited)	ended 30 June 2012 (unaudited)	ended 31 December 2012 (audited)
Profit from continuing operations attributable to equity holders of the Company (€000's)	13,899	8,128	16,543
Profit from total operations attributable to equity holders of the Company (€000's)	13,899	4,368	17,804
Weighted average number of ordinary shares in issue	**339,808,261**	**307,198,073**	**319,707,398**

Diluted earnings per share assumes that options and warrants outstanding at 30 June 2013 were exercised at 1 July 2013, for options and warrants where the exercise price was less than the average price of the ordinary shares during the period. On this basis, the calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders divided by 339,808,261 (six months ended 30 June 2012: 307,198,073, year ended 31 December 2012: 319,707,398) ordinary shares.

4 Cash generated from Operations

	Six months ended 30 June 2013 €'000 (unaudited)	Six months ended 30 June 2012 €'000 (unaudited)	Year Ended 31 December 2012 €'000 (audited)
Profit for the period before tax	14,468	5,858	17,889
Adjustments for:			
Profit on disposal of tangible/intangible assets	-	-	-
Depreciation of property, plant and equipment	143	513	925
Amortisation of intangible assets	3,966	4,032	7,801
Movement in provisions	(70)	(1)	114
Share of profit of associate	(728)	-	-
Share-based payments	23	-	-
Share of loss of associate	-	-	297
Foreign exchange on operating activities	(1,413)	784	462

Finance costs (net)	318	464	855
Adjustments for changes in working capital			
Decrease in inventory and work in progress	(1,521)	178	(3,084)
Increase in trade receivables	(8,021)	(1,610)	(26,195)
Increase in other current assets	(4,364)	(2,881)	(3,569)
(Decrease)/increase in trade and other payables	(104)	(548)	18,748
Decrease in other tax liabilities	-	-	-
Cash generated from Operations	**2,697**	**6,789**	**14,243**

5 Intangible assets

During the period the Group spent € 5,632 million (6 months ended 30 June 2012: € 5,676 million) on licences and software development of existing products of the Group as well as new mobile products.

6 Share capital and share premium

On 30 April 2013, Globo announced that an application has been made for the admission of 2,520,000 new ordinary shares of 1 pence each. The new ordinary shares have been issued and allotted pursuant to the exercise of 2,520,000 options at an exercise price of 12.5 pence, and will rank equally in all respects with the existing issued share capital of the Company.

7 Borrowings

Borrowings

	30/6/2013	**31/12/2012**
Current Liabilities		
Long term bank loans payable within one year	-	6.075
Finance lease liabilities payable within one year	7	-
Total Current Borrowings	**7**	**6.075**
Non-Current Liabilities		
Long term finance lease liabilities	16	-
Long-term bank loan	12,296	7,506
Less: Amortized issuance cost	(1,635)	-
Total Non-Current Borrowings	**10,677**	**7,506**

Total borrowings	**10,684**	**13,581**

On 30 of May 2013, the Group secured a 3 year revolving facility of €20 million with the option to extend by €5 million, from Barclays Bank plc. The transaction was arranged by Akin Bay Investment Bank (New York) with consultation services provided by Black Summit Financial Group and Avax UK Ltd. Finance expenses on the Group's loan for the six months of 2013 amounted to € 1,635 million has been recorded in accordance with the Group's accounting policy under IAS 39.