Globo plc
Press Announcement

FOR IMMEDIATE RELEASE 16 April 2009

GLOBO plc

RESULTS FOR THE YEAR ENDED 31 DECEMBER 2008

Globo plc ("Globo", the "Group" or the "Company"; LSE-AIM: GBO), a leader in the Information and Communications Technology market in Greece, is pleased to announce its audited results for the 12 months ended 31 December 2008.

Key points:

- The results reflect strong organic growth during 2008 with a particularly good performance in the public sector business segment.
- Revenues increased by 63% to €17.9m (2007: €11.0m).
- Operating margins remained healthy at 21.7% (2007: 26.8%).
- Profit before tax increased by 36% to €2.86m (2007: €2.10m).
- New Globo Mobile business unit was formed late in 2008 and its CitronGO! mobile product has been launched since the year end.

On outlook, the Chairman, Brett Miller stated:

"Having started 2009 with a number of new and ongoing public and private sector projects, the current forward order book for delivery in 2009 is approximately €7.18 million, up from €4.00 million last year. While we have a solid pipeline of new business and anticipate initial revenue contributions from CitronGO! during the second half of the year, the combination of a traditional second half year bias in our results and the current widespread economic difficulties means that forward visibility is less than we would like.

"Globo expects to be able to deliver another year of growth in revenue in 2009. Although gross margins are likely to be affected by the more cost conscious environment, it is expected that some growth in profits will also be achieved."

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About Globo

GLOBO plc was admitted to AIM in December 2007. Founded in 1997 by Konstantinos Papadimitrakopoulos and headquartered in Halandri (a suburb of Athens), Globo has established itself as one of the market leaders in the Greek ICT market. It provides e-business and telecom software products and related services to the private and governmental sectors in Greece as well as developing and operating broadband wired and wireless networks. It has developed to become one of the largest e-business software and S.a.a.S. vendors in Greece. For further information please go to www.globoplc.com.

CHAIRMAN'S STATEMENT

Introduction

We are pleased to be able to report strong organic growth in revenue and profit in our first full year since Admission to AIM. This has been achieved against a background of deteriorating economic conditions, particularly during the last quarter of the year.

Throughout last year and in the current year, Globo has continued to develop its portfolio of products and services, maintaining a good balance between private and public sector activities. More recently, we launched CitronGO!, Globo's 'cloud' product for the mobile applications market at the Mobile World Congress in Barcelona. It has only been a short while since launch but initial market response has been very encouraging.

Results and Finance

For the year to 31 December 2008 revenue increased by 63% to €17.9 million (2007: €11.0 million). Operating margins remained healthy albeit they decreased to 21.7% (2007: 26.8%) and profit before tax increased by 36% to €2.86 million (2007: €2.10 million). Profit after tax during the period was €2.38 million (2007: €2.00 million) and basic earnings per share were 1.8 cents (2007: 1.8 cents).

Although cash generated from operations almost doubled to €3.03 million (2007: €1.55 million), overall net cash flow was affected by significant delays in payments by customers, particularly those in the Greek public sector. This, together with a higher investment in product development of €5.58 million (2007: €3.64 million), resulted in an increase in net debt at the year end to €9.83 million (2007: €4.65 million). That said, Globo had cash deposits of €3.2 million at the year end (2007: €3.70 million) and adequate banking facilities for operational purposes.

Since the year end €2.15 million of outstanding Greek public sector receivables has been paid and the Company expects to be able to report further progress on cash receipts in due course. Additional information is included in the Financial Review below.

Strategy

Globo has been developing its e-business and related software products and services for both private and public sector markets. During 2008, major archive digitalisation, e-business and 'WiFi' network contracts dominated its public sector activities. In the private sector, the focus of sales to larger corporate clients has been e-business products and services while the SME marketplace has been developed through Globo's Software as a Service ("SaaS") offering and localised 'WiFi' services. SME activities have also been extended to certain neighbouring regional markets.

The move into the mobile applications market has arisen from Globo's existing technologies and intellectual property. This is a truly 'scalable' service offering which we hope will create an opportunity to expand internationally through distribution agreements with the major operators and equipment providers in mobile communications. To this end we formed a new Globo Mobile business unit and acquired a 35% interest in, and management control of, ReachFurther Communications Limited.

Outlook

Having started 2009 with a number of new and ongoing public and private sector projects, the current forward order book for delivery in 2009 is approximately €7.18 million, up from €4.00 million last year. While we have a solid pipeline of new business and anticipate initial revenue contributions from CitronGO! during the second half of the year, the combination of a traditional second half year bias in our results and the current widespread economic difficulties means that forward visibility is less than we would like. The public sector is a significant customer of Globo and we intend to continue to build this element of our business. However, we also plan to improve collection terms, as far as we are able to, in order to improve cashflow and reduce financing expenses. Globo expects to be able to deliver another year of growth in revenue in 2009. Although gross margins are likely to be affected by the more cost conscious environment, it is expected that some growth in profits will also be achieved.

Brett Miller
Non-executive Chairman

CHIEF EXECUTIVE OFFICER'S REPORT

Introduction

I am pleased to report that Globo had a successful year, delivering strong growth in all aspects of its business against a background of trading conditions which became more difficult as the year progressed. In particular, we were able to announce our intention to enter the mobile applications market and CitronGO! was launched in February 2009 at the Mobile World Congress, the leading mobile communications exhibition and conference held in Barcelona. This new development sets the cornerstone for faster international development through strategic partnerships with mobile operators and other channels to address the global market for mobile users which currently counts more than 4 billion subscribers.

Operations

During 2008, Globo has focused on developing its presence and competitive advantage in all operational areas by investing strongly in both business and software development. Globo's performance for 2008 reflects the leading position of the Group in its domestic markets with both corporate and public sector customers with a range of technology solutions, based on the Company's proprietary software.

During 2008, Globo delivered its products and services through two main companies:

- Globo Technologies S.A. delivers its CITRON branded e-business software products, digitalisation services and broadband services to both private and public sector customers on a licence or project basis.

- Profitel Communications S.A. delivers the Group's Software as a Service ("SaaS") offering combined with telecom services to the SME and corporate marketplace.

During November 2008, Globo Mobile was formed as a new business unit and at the year end acquired a 35% interest and full management control of ReachFurther Communications Limited ("ReachFurther") for an initial consideration of €0.45 million. Based in Cyprus, ReachFurther is a value-added service provider and content aggregator for the mobile communications market. The Group will develop its mobile applications operations through Globo Mobile.

Markets

During 2008, total revenues from software products and services (government, public and corporate sectors) increased by 60.6% to €15.14 million (2007: €9.43 million). SaaS revenues delivered through Profitel contributed meaningfully for the first time in 2008 and were €0.62 million (2007: €0.10 million), a substantial increase on the previous year when the SaaS activities were in their formative stage.

A significant driver of growth in the IT and telecom market in Greece comes from funds provided by the European Commission towards the narrowing of the digital divide in Greece when compared with the more advanced Western European countries. These funds are supporting both public and private sector investments. The previous year saw significant spending within the public sector on IT and telecom infrastructure as the third European Support Framework was coming to an end. Although there are funds remaining from this framework, due to be spent during 2009, the fourth Support Framework (ESPA) has started already with a total of €24 billion available for investment over the next 8 years.

- Government and Public Sector

Within the government and public sector, a number of substantial contracts were completed by Globo during the year including projects for the Greek Ministry of Mercantile Marine, the Greek Ministry of National Education and Religious Affairs, the General State Archives, the Hellenic Parliament, the Athens University of Economics and Business and the Pan-Hellenic Organisation for the Paraplegic and Disabled. These projects have included e-business platforms, digitalisation services and broadband infrastructure.

Globo has positioned itself effectively as a company able to win and deliver large scale governmental projects and has invested in processes, people, infrastructure and IPR to improve the Group's competitive advantage.

- Corporate

The corporate sector is based around the Group's suite of CITRON branded e-business applications and broadband access technologies (Internet Hotel and WiPLUS). Significant customers during the year included the Lambrakis Foundation, Publicis Hellas, E-Shop.gr, Euroxx Securities, Newsphone, Angelicoussis Shipping Group, Istron Bay Hotel, Philippion Hotel, Onassis Cardiologic Surgical Center, Cosmote and the Agricultural Bank of Greece.

Significant development has been achieved in the Group's approach to the corporate sector utilising the call centre operation acquired in late 2007 in Arta (Western Greece) from where customer leads are initiated and followed up by trained sales staff throughout Greece.

- Software as a Service

Profitel, the SaaS unit of the Group, expanded during the year, having launched its services during the second half of 2007. While uptake of SaaS is still at an early stage and further 'market education' is needed, particularly in the SME sector, the outlook for new contracts in 2009 is positive and we anticipate that this should lead to an expansion of the subscriber base and recurring service revenues. The SME customer base increased by 85% during 2008 with an average revenue per customer of €400 per month. In addition to the SME customer base, Profitel has succeeded in selling its SaaS into larger companies including Pfizer Hellas, Wilo Hellas, Naftomar Shipping and Trading and Goldenport Ship Management.

- WiFi Broadband networks

Significant development has been achieved in Globo's activities in the WiFi broadband networks market:

- **WiPLUS** - Globo has expanded its network coverage of wholly-owned WiFi hot spots to more than 350. These hot spots are located in city and resort hotels where there is an increasing market for those using WiFi enabled mobile handsets. The revenue sharing model operated with the hotel owners delivers a good return and positive cash flow from Globo's investment in its WiPLUS network.

- **Public hot spots** - Globo, in partnership with PC Systems S.A., has won one of the biggest WiFi project in Greece from the Information Society S.A. to install 160 public WiFi hotspots to provide free wireless broadband internet access for members of the public. These hotspots are being set up in central squares, railway stations, harbours and airports throughout Greece. Globo will provide a specialised software platform for user access control, security, network management and the extraction of statistical reports on the use of wireless internet access by users of the hotspots.

- **i-SET** (Interactive Services for Electronic Tourism) – Globo is the main technology provider for the i-SET European Commission project. The Company has installed and operates 100 WiFi hotspots in Spain, Italy, Greece and Cyprus, providing wireless internet access and interactive services related to tourist activities to hotel customers. The i-SET Network is running on Globo's proprietary WiPLUS infrastructure.

- Mobile applications

During 2008, the focus for mobile applications was the development of CitronGO! in preparation for the commercial launch early in 2009. The underlying technology for CitronGO! is based on Globo's existing e-business and SaaS technologies. CitronGO! is a SaaS product which uniquely integrates onto the screen of a device (mobile handset, PDA or PC) communication and social networking services, covering personal and professional requirements. The new mobile business unit commenced formal operations early in 2009 following the acquisition of Globo's interest in ReachFurther, as set out above.

The initial strategy for the Group's mobile operations is focussed on developing strategic partnerships with mobile network operators, internationally, in order to access their customer base. CitronGO! will operate on most available handset types in the market (Symbian, Java, Windows Mobile, Blackberry, Android and soon on the iPhone) and is fully customisable to the requirements of any local market. Globo believes CitronGO!'s extended functionality gives it a significant edge over competing products, particularly in the feature phone market, to address the global community of mobile subscribers by offering a seamless interaction between internet services and applications (email, social networking, instant messaging, and much more) while on the move.

Following the Mobile World Congress held in Barcelona in February 2009, where the CitronGO! service was launched, the Company has initiated a number of encouraging discussions with mobile network operators internationally.

- International

International operations have made progress during the year under review, albeit at a slower pace than had originally been planned. An operating subsidiary has been established in Romania in order to market SaaS and planning continues for direct operations in Bulgaria at a later stage. Since the year end, Globo now has a direct presence in Cyprus as well as an existing reseller network.

Additionally, the opportunities created by CitronGO! in due course are expected to expand the Group's international activities.

Products and Services

Globo believes that future growth and achievement of above industry average margins will come from innovative products and services that capture a user's preference for either business or personal needs. Globo has continued to invest in both existing and new products.

- Mobile applications

By the end of 2007 Globo had foreseen the increasing potential demand for mobility in terms of user requirements. This provided the impetus that has led to the development of Globo's mobile applications and a new suite of products. During 2008 two significant developments have been achieved.

- Citron Mobility Platform – Globo has developed a complete toolset of components, services and client software to enable interaction of mobile phones with third party services and applications. This created the foundation for the development of CitronGO! as a 'vertical' product and for future products that will either offer mobile interfaces to the existing Citron E-Business software family or in new products that will be developed to exploit market trends.

- CitronGO! – The first version of the product was developed in less than 14 months and after its release in February 2009, it has captured the interest of several industry 'players'. The first version of CitronGO! provides six services (push email, push contacts, push calendars, instant messaging, folders and social networking) which interact with several well known internet services and applications. Following this development Globo aims to extend CitronGO! compatibility with other applications and services and to add new applications such as RSS feeds and content distribution in order to create more value to the end user. The first version of CitronGO! is offered as a service to mobile operators, but a version of the software will be offered on licence to companies wanting to implement mobile collaboration and messaging within their own closed corporate user group.

- E-business products

Further development on the Citron E-Business family has taken place, adding new functionality and modules to the existing product suite in order to fulfil customer requests and market trends.

- Software as a Service

Globo has expanded its Citron ERP and CRM solutions to support the SaaS delivery model and introduced the required security features needed by customers with data hosted by a third party. These two software products are also offered as a fully local (to the customer premises) solution with a recurring monthly licence through the Citron Licensing Server infrastructure with full billing information retrieved during the licence update process.

- Broadband access

GNE on Cisco AXP - The Globo Network Engine (GNE) software manages the uninterrupted provision of internet services over public hotspot zones. GNE software is already being utilised in hotspots used by Globo's Internet Hotel and WiPLUS applications. The new GNE-Cisco AXP solution includes RADIUS support, DHCP and GNE-Update servers over the AXP–Cisco board. This implementation on Cisco equipment has provided a new opportunity for Globo to access Cisco's international client base.

- Digitalization infrastructure

Globo has invested in infrastructure related to the delivery of digitalization projects including Zeutschel scanning equipment and software, servers, digital storage facilities and software to manage large digitalization projects. This investment puts Globo in a favourable position to win new digitalization projects that that can be serviced using the Company's wholly owned production capacity.

People

Over the past year, Globo's direct headcount has grown from 62 persons at 31 December 2007 to 104 persons at 31 December 2008.

I would like to thank each employee for their hard work during the year and their continuing commitment.

Key tasks for 2009

Globo's has three key priorities for the current year. Firstly, we aim to maintain the excellent momentum in our main businesses, albeit against an uncertain economic background. We will need to focus more on cash flow in these difficult times in order to support our growth. However, we believe that the flexible nature of our SaaS service will prove attractive to both corporate and SMEs in a time of recession – and is an example of what is now termed a 'cloud' application. Thirdly, emphasis will be placed on commercialising CitronGO! through partnership and distribution agreements.

Investment in Globo's suite of products and services will continue with the clear ambition of emerging from the current recession as a strong, growing and profitable business.

Costis Papadimitrakopoulos
Chief Executive Officer

FINANCIAL REVIEW

In 2008, Globo delivered a good financial performance with substantial growth in revenues, strong profitability and positive operating cash flow.

Revenues reached €17.93 million, an increase of 62.6 per cent (2007: €11.03 million). The increase in revenue was generated by organic growth in both the private sector (7 per cent growth from 2007) and public sector (262 per cent growth from 2007) segments of the Group. The majority of revenue (87.9 per cent) consists of sales of the Group's own products and services while 12.1 per cent of the revenue arises from sales of third party goods.

Gross profit increased by 53.1 per cent in 2008 and reached €7.89 million (2007: €5.14 million), delivering a gross margin of 43.9 per cent (2007: 46.6 per cent).

Operating expenses excluding depreciation and amortisation were €10.64 million, representing an increase of 87.3 per cent (2007: €5.68 million) in support of the increase in revenue. Depreciation of tangibles and amortisation of intangibles was €3.60 million (2007: €2.54 million) reflecting the significant product development undertaken both in 2007 and 2008. Operating profit increased by 31.4 per cent to €3.89 million (2007: €2.96 million), delivering an operating margin of 21.7 per cent (2007: 26.8 per cent), while EBITDA increased by 35.7 per cent to €7.49 million (2007: €5.52 million).

The net interest charge for the year was €1.02 million, an increase of €0.17 million, as the Group used financing facilities for working capital purposes, mainly on significant public sector contracts.

Profit before tax for 2008 was €2.86 million, representing an increase of 36.2 per cent (2007: €2.10 million). The taxation charge for the year was €0.48 million (2007: €0.10 million) which relates predominantly to deferred taxation as the Group has taken advantage of special tax relief incentives available in Greece.

Basic earnings per share remained at €0.018 (2007: €0.018).

Total assets grew significantly to €38.39 million at 31 December 2008 (2007: €26.62 million). Of total assets, €13.56 million were held in non-current assets, €19.84 million were held in trade receivables, prepayments and other current assets and €3.25 million were cash and cash equivalents. Equity increased by 19.8 per cent to €13.85 million and total liabilities increased by 62.9 per cent to €24.55 million.

Trade receivables and prepayments increased by €3.83 million, primarily due to the delay in the scheduled collections from the public sector projects at the end of the year. Due to the global financial crisis, the Greek Government asked the European Union for an extension for payments on the Third European Framework projects, in which the E.U. is contributing approximately 75% and the Greek state 25%. As a result of the delay in payments on the invoiced public sector projects anticipated collections of €4.99 million (which were collateralised against debt) and an associated reduction in borrowings did not materialise by the year end. The E.U. has granted an extension of the payments for public sector projects until 30 June 2009 and the Group expects that the outstanding amounts will be recovered by this date. We are pleased to report that some progress has been made in this regard in the first three months of 2009 with €2.15 million having been collected in respect of public sector contracts.

Increased profitability and well-controlled project management resulted in a significant increase in cash generated from operations by 95.5 per cent to €3.03 million (2007: €1.55 million) while net cash from operations reached €1.81 million, an increase of 170.1 per cent (2007: €0.67 million). Net cash used in investing activities was €6.40 million, reflecting the significant investment in product development and infrastructure.

Dimitris Gryparis
Finance Director

CONSOLIDATED INCOME STATEMENT
For the Year ended 31 December 2008

	2008 €'000	2007 €'000
Continuing Operations		
Revenue	17,933	11,029
Cost of sales	(10,055)	(5,885)
Gross Profit	7,878	5,144
Other operating income	196	155
Distribution expenses	(1,178)	(715)
Administrative expenses	(2,985)	(1,547)
Other operating expenses	(25)	(76)
Operating Profit	3,886	2,961
Finance costs (net)	(1,024)	(858)
Profit before Tax	2,862	2,103
Taxation	(482)	(101)
Profit for the year from continuing operations attributable to the equity holdings of the parent	2,380	2,002
Earnings per share for profit attributable to the equity holders of the Company during the year		
Basic (€ per share)	0.018	0.018
Diluted (€ per share)	0.018	0.018

CONSOLIDATED BALANCE SHEET
At 31 December 2008

	As at 31 December 2008 €'000	As at 31 December 2007 €'000
ASSETS		
Non–Current Assets		
Property, plant and equipment	3,742	3,339
Intangible assets	8,235	5,508
Goodwill	842	194
Deferred tax assets	729	1,157
Other receivables	15	7
Total Non-Current Assets	13,563	10,205
Current Assets		
Inventories	1,745	379
Trade receivables	13,763	9,930
Other receivables	257	84
Other current assets	5,819	2,322
Cash and cash equivalents	3,245	3,696
Total Current Assets	24,829	16,411
TOTAL ASSETS	38,392	26,616
EQUITY AND LIABILITIES		
Shareholders' Equity		
Ordinary shares	1,781	1,781
Share premium	3,879	3,894
Other reserves	5,839	5,708
Reverse acquisition reserve	351	351
Translation reserve	(207)	-
Retained earnings/(losses)	2,201	(179)
	13,844	11,555
Minority interest in equity	3	-
Total Equity - Capital and Reserves	13,847	11,555
Non–Current Liabilities		
Borrowings	3,292	1,500
Retirement benefit obligations	148	99
Finance lease liabilities	1,777	1,838
Other liabilities	100	-
Provisions	47	37
Total Non - Current Liabilities	5,364	3,474
Current Liabilities		
Trade and other payables	7,660	3,548
Taxes payable	376	331
Borrowings	9,784	6,843
Accrued liabilities	1,361	865
Total Current Liabilities	19,181	11,587
TOTAL EQUITY AND LIABILITIES	38,392	26,616

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share Capital €'000	Share Prem -ium €'000	Shares to be issued €'000	Merger Reserve €'000	Other Reserves €'000	Reverse Acquis -ition Reserve €'000	Trans -lation Reserve €'000	Minority Interest €'000	Retained Earnings / (Losses) €'000	Total €'000
Balance as at 1 January 2008	1,781	3,894	55	1,500	4,153	351	-	-	(179)	11,555
Exchange differences	-	-	-	-	-	-	(207)	-	-	(207)
Deferred consideration for acquisition of subsidiary	-	-	100	-	-	-	-	-	-	100
2007 share issue costs	-	(15)	-	-	-	-	-	-	-	(15)
Share based payments	-	-	31	-	-	-	-	-	-	31
Profit for the period	-	-	-	-	-	-	-	-	2,380	2,380
Arising on acquisition	-	-	-	-	-	-	-	3	-	3
Total changes for the period	-	(15)	131	-	-	-	(207)	3	2,380	2,292
Balance as at 31 December 2008	**1,781**	**3,879**	**186**	**1,500**	**4,153**	**351**	**(207)**	**3**	**2,201**	**13,847**

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 December 2008

	Year ended 31 December 2008 €'000	Year ended 31 December 2007 €'000
Cash Flows from Operating Activities		
Cash generated from operations (Note 5)	3,032	1,551
Interest paid	(1,071)	(877)
Tax paid	(150)	(7)
Net Cash from Operating Activities	1,811	667
Cash Flow used in Investing Activities		
Acquisition of subsidiaries, net of cash acquired	33	(492)
Purchases of tangible and intangible assets	(6,541)	(4,525)
Sales of tangible assets	58	90
Interest received	47	19
Net Cash used in Investing Activities	(6,403)	(4,908)
Cash Flows from Financing Activities		
Proceeds from issue of share capital	-	4,604
2007 share issue expenses	(15)	-
Increase in long term liabilities	-	(51)
Proceeds from borrowings, net of repayments	4,686	2,619
Repayment of obligations under finance leases	(271)	(312)
Net Cash from Financing Activities	4,400	6,860
Net (Decrease) / Increase in Cash and Cash Equivalents	(192)	2,619
Movement in Cash and Cash Equivalents		
Cash and cash equivalents at the beginning of the period	3,696	1,077
Exchange loss on cash and bank	(259)	-
Net (decrease)/increase in cash and cash equivalents	(192)	2,619
Cash and Cash Equivalents at the End of the Period	3,245	3,696

NOTES TO THE FINANCIAL STATEMENTS

1. General Information

The Consolidated Financial Statements of Globo plc ("the Company") consists of the following companies; Globo plc, Globo Technologies S.A., Profitel Communications S.A., Globo Mobile S.A., Globo IT and Telecom Services SRL and Reachfurther Communications Limited ("the Group").

The Parent Company, Globo plc, formerly Israeli Acquisitor 1 plc, was incorporated in July 2005 in the United Kingdom under the Companies Act 1985 and was admitted to trading on the PLUS Market in September 2005. On 14 December 2007, the Company changed its name from Israeli Acquisitor 1 plc to Globo plc and listed on the AIM Stock Market in London. Its registered office address is 39 Cheval Place, London SW7 1EW, United Kingdom.

(a) Globo Technologies S.A. and Profitel Communications S.A.

Globo Technologies S.A. is engaged in the provision of e-Business and Telecom Software Solutions and related professional services to the public and private sector, primarily in Greece. Globo Technologies S.A.'s registered office is located in Athens, at 37A Psaron Street & 78 Aristotelous Street, Chalandri, Greece. Globo Technologies S.A. is a private company, incorporated in Greece in November 2000. Globo Technologies S.A. owns 100 per cent of Profitel Communications S.A.

Profitel Communications S.A. provides business communication services. Profitel Communications S.A purchases software applications from Globo Technologies S.A. in the form of "Software as a Service" (S.a.a.S.) and, together with central infrastructure services, integrates them with third party telecom services. Profitel Communications S.A.'s registered office is located in Athens, at 37A Psaron Street & 78 Aristotelous Street, Chalandri, Greece. Profitel Communications S.A. is a private company, incorporated in Greece in October 2005.

Prior to 14 December 2007, Globo Technologies S.A. was the ultimate parent company of the Group. On 15 November 2007, Globo Technologies S.A. entered into an Acquisition Agreement with the shareholders of Globo plc, in the form of a binding memorandum of understanding under Greek law. This agreement was to acquire the entire issued share capital of Globo Technologies S.A. by means of a contribution in kind by each shareholder of their shares in Globo Technologies S.A., in exchange for a total of 110,000,000 new ordinary shares in Globo plc, being the Consideration Shares. On 14 December 2007, Globo plc became the ultimate parent company of the Group through a share exchange and was admitted to the AIM stock market in London. As the shareholders of Globo Technologies S.A have control of the legal parent, Globo plc, in accordance with IFRS 3 "Business Combinations" the transaction has been accounted for as a reverse acquisition. Consequently, although the Financial Statements are prepared in the name of the legal parent, they are in substance a continuation of those of the legal subsidiary with its assets and liabilities measured and recognised in the consolidated Financial Statements at the pre-combination carrying amount.

(b) Formation of Globo Mobile S.A. and Globo IT and Telecom Services SRL

Globo Mobile S.A. and Globo IT and Telecom Services SRL were formed on 18 November 2008 and 16 July 2008 respectively.

Globo Mobile S.A. will commercialize the CitronGO! service globally via the creation of an extensive partnership network with major players. Globo Mobile S.A.'s registered office is located in Athens, at 37A Psaron Street & 78 Aristotelous Street, Chalandri, Greece. Globo Technologies S.A. owns 100% of Globo Mobile S.A.

Globo IT and Telecom Services SRL is engaged in the provision of computer programming, consulting and related activities. Globo IT and Telecom Services SRL's registered office is located in Sos. Bucuresti-Ploiesti No 1A, Bucharest Business Park, Intrarea A. et.1, Birou 125, sector 1 Bucuresti, Romania. Globo Technologies S.A. owns 99% and Profitel Communications S.A. owns 1% of Globo IT and Telecom Services SRL.

(c) Acquisition of Reachfurther Communications Limited

35 per cent of the equity shares of Reachfurther Communications Limited were acquired on 31 December 2008. Reachfurther Communications Limited is a content/service aggregator/enabler with an extensive content/service portfolio that caters to the entire mobile and fixed telecommunications market and was established in 2004 by a team of telecommunications professionals with many years experience in the field of management & advisory of telecommunications operators in selected European & Middle Eastern countries.

Reachfurther Communications Limited's registered office is located in 31 Evagorou Street, 4th Floor, Office 43, 1066 Nicosia, Cyprus. Globo Mobile S.A. owns 35 per cent of Reachfurther Communications Limited.

2. Basis of Preparation

The Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"), IFRIC interpretations and the parts of the Companies Act 1985 applicable to companies reporting under IFRS. The Financial Statements have been prepared under the historical cost convention.

The preparation of Financial Statements under IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The preparation of Financial Statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial information, including the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

3. Revenue

	Year ended 31 December 2008 €'000	Year ended 31 December 2007 €'000
Revenue from software products & services	15,137	9,428
Revenue from telecom services - SaaS	624	110
Revenue from sales of third party goods	2,172	1,491
Total	17,933	11,029

Revenue is mainly derived from sales of Group's software products and services to private and public sector customers based upon contractual agreements. Sales of third party goods which are treated as a complement to the Group's software products and services are recognised according to the relevant contractual obligations.

4. 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.

	Year ended 31 December 2008	**Year ended 31 December 2007**
Profit attributable to equity holders of the Company (€000's)	2,380	2,002
Weighted average number of ordinary shares in issue	130,589,530	110,857,897

Diluted earnings per share assumes that options and warrants outstanding at 31 December 2008 were exercised at 1 January 2009, for options and warrants where the exercise price was less than the average price of the ordinary shares during the period. A calculation is done to determine the number of shares that could have been acquired at fair value based on the monetary value of the subscription rights to outstanding share options. The number of shares calculated above is compared with the number of shares that would have been issued assuming the exercise of the options and warrants and the issue of the shares as part of the deferred consideration for the acquisition of a subsidiary undertaking. On this basis, the calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders divided by 132,118,740 shares (31 December 2007: 111,357,897).

5. Cash Generated from Operations

Group

	Year ended 31 December 2008 €'000	**Year ended 31 December 2007 €'000**
Profit for the period before tax	2,862	2,103
Adjustments for:		
Depreciation of property, plant and equipment	753	483
Amortisation of intangible assets	2,856	2,057
Movement in provisions	59	-
Share-based payments	31	40
Finance costs (net)	1,024	858
Adjustments for changes in working capital		
(Increase)/decrease in inventory and work in progress	(1,366)	581
Increase in trade receivables	(3,722)	(3,516)
Increase in current assets and other receivables	(3,651)	(1,966)
Increase/(decrease) in trade and other payables	4,186	911
Cash Generated from Operations	**3,032**	**1,551**