Globo plc
Press Announcement

FOR IMMEDIATE RELEASE 10 May 2010

GLOBO plc

RESULTS FOR THE YEAR ENDED 31 DECEMBER 2009

Globo plc ("Globo", the "Group" or the "Company"; LSE-AIM: GBO), the international IT, mobile solutions and SaaS provider, is pleased to announce its audited results for the 12 months ended 31 December 2009.

Key points:

- The results reflect strong organic and profitable growth during 2009 with the entry into the mobile arena and international business development.
- Revenues increased by 31 per cent to €23.49m (2008: €17.93m).
- EBITDA increased by 20 per cent to €9.03m (2008: €7.49m).
- Net operating cash flow increased by 205 per cent to €9.25m (2008: €3.03m)
- Operating margins remained healthy at 18.62 per cent (2008: 21.67 per cent).
- Profit before tax increased by 11.8 per cent to €3.20m (2008: €2.86m).
- Globo mobile business development in 63 countries resulting in the first major contract early in 2010 and several new contracts and opportunities since.

On outlook, the Chairman, Brett Miller stated:

"We have established a solid platform for the development of a significant recurring revenue stream from our international mobile applications business. Whilst the debt crisis in Greece does give cause for some uncertainty, we will be more cautious in taking on public sector contracts and continue to monitor the recoverability of public sector receivables.

"We are expecting initial revenue contributions from CitronGO! and other mobile services during the first half of the year and we expect that the current outlook will be further improved during the traditionally stronger second half of the year.

"Furthermore our E-Business software and SaaS business had a satisfactory first quarter of 2010 and continues to grow with a focus on private sector projects which offer better cash flows. The current forward order book for delivery is approximately €4.9 million, providing visibility for 2010.

"We expect the economic environment to remain challenging, with price pressure continuing at a time when the Group will be incurring initial set-up and sub-contracting costs related to MNO contracts.

"Nevertheless, we anticipate that gross margins in 2010 will be maintained at similar levels to 2009 and we are confident that, by continuing to maintain tight control over operating costs, we will achieve further profitable growth for the current year."

CONTACTS

Globo plc Costis Papadimitrakopoulos, CEO Dimitris Gryparis, Finance Director	+30 210-646-6008
NCB Stockbrokers Limited (Nomad) Christopher Caldwell or Barclay Clibborn	+44 20-7071-5200
Astaire Securities Plc (Joint Broker) Ruari McGirr	+44 20-7448-4454
Daniel Stewart & Company Plc (Joint Broker) Christopher Theis	+44 20-7776-6550
Bankside Steve Liebmann, Simon Bloomfield or Andy Harris	+44 20-7367-8888

About Globo

GLOBO plc was admitted to AIM in December 2007. Founded in 1997, Globo has established itself as one of the market leaders in the ICT market, offering a wide range of products and services to the corporate, public and consumer market. It provides mobile, e-business and telecom software products and related services to the private and governmental and mobile sectors. The Group expands internationally based on its mobile communications strategy. 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, achieved against a background of tough economic conditions and a sovereign debt crisis in our home market of Greece.

Throughout 2009 and so far in the current year, Globo has continued to develop its portfolio of products and services, focusing on its mobile business and international expansion. Traditional markets also continue to be developed and we continue to experience strong demand for the group’s products and services. In 2009 we saw a shift to private sector business which represented 71.6 per cent of the Group’s revenues for the year.

Since the initial launch of our Mobile application, CitronGO!, we have received strong interest from Mobile Network Operators from several regions in the world and, having successfully won a number of major contracts, we are confident that this will be a significant contributor to growth in 2010 and beyond.

Results and Finance

For the year to 31 December 2009 revenue increased by 31 per cent to €23.94 million (2008: €17.93 million). Operating margins remained healthy, albeit they decreased to 18.62 per cent (2008: 21.67 per cent) as the result of price pressure in a competitive and cost-conscious environment. Profit before tax increased by 11.8 per cent to €3.20 million (2008: €2.86 million). Profit after tax during the period rose to €2.83 million (2008: €2.38 million). Basic earnings per share were 2.0 cents (2008: 1.8 cents).

Cash generated from operations tripled to €9.25 million (2008: €3.03 million). Net cash outflow from operating and investing activities improved by €3.63 million to €0.96 million (2008: €4.59 million), despite delayed settlement of invoices by the Greek public sector. Net debt has remained unchanged at €9.9 million (2008: €9.83 million).

Globo had cash deposits of €3.11 million at the year end (2008: €3.24 million) which, together with unutilised banking facilities of €4.3 million, provide adequate financial resources for working capital and operational purposes.

Since the year end €1.93 million of outstanding Greek public sector receivables (€5.5 million at 31 December 2009) has been paid and the Company expects that the majority of them will be received by 30 June 2010.

In August 2009, the Group raised approximately £1 million before expenses, via a placing with UK and Greek investors of 11,944,029 new ordinary shares, to fund the international roll-out of CitronGO!.

Additional information is included in the Financial Review below.

Strategy

Globo has continued to develop its e-business and related software products and services for both the private and public sector markets, together with its mobile services which are initially focused on targeting MNOs as customers.

The rapid, international development of the mobile applications market over the past two years has included the development of a strong market in smart phones. Globo responded to this major growth opportunity through the launch of CitronGO!, an open 'cloud' mobile communication software solution, using our proprietary technology platform, to provide personal and professional users with true ubiquitous computing on a single screen on any mobile phone or laptop.

We have been very encouraged by the early success of CitronGO!, with a major contract won with a leading MNO in South East Asia followed by today's announcement of new contracts in South East Europe and Africa.

As a result, we are confident that our international mobile applications will be a key contributor to growth in revenues and profits, and further improvement in cashflows, in 2010 and beyond.

During 2009, we won a number of major e-business and 'WiFi' network contracts in the public sector as well as private sector contracts where we have focused on larger corporate clients. The SME marketplace is being 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.

Outlook

We have established a solid platform for the development of a significant recurring revenue stream from our international mobile applications business. Whilst the debt crisis in Greece does give cause for some uncertainty, we will be more cautious in taking on public sector contracts and continue to monitor the recoverability of public sector receivables.

We are expecting initial revenue contributions from CitronGO! and other mobile services during the first half of the year and we expect that the current outlook will be further improved during the traditionally stronger second half of the year.

Furthermore our E-Business software and SaaS business had a satisfactory first quarter of 2010 and continues to grow with a focus on private sector projects which offer better cash flows. The current forward order book for delivery is approximately €4.9 million, providing visibility for 2010.

We expect the economic environment to remain challenging, with price pressure continuing at a time when the Group will be incurring initial set-up and sub-contracting costs related to MNO contracts.

Nevertheless, we anticipate that gross margins in 2010 will be maintained at similar levels to 2009 and we are confident that, by continuing to maintain tight control over operating costs, we will achieve further profitable growth for the current year.

Brett Miller
Non-executive Chairman

CHIEF EXECUTIVE OFFICER'S REPORT

Introduction

During 2009, Globo delivered strong growth in revenue and profit across the Group in very difficult trading conditions which, in addition to global recession, included the particular issues faced by Greece.

This performance is particularly pleasing since, at the same time, we have made significant progress with the development of our international mobile business. As expected, we have experienced strong interest for our mobile technology CitronGO! which, in addition to winning a number of contracts since the beginning of 2010, is now in numerous business trials and negotiations with more than 81 MNOs in 66 countries, representing 1.2 billion mobile subscribers.

Overall, we believe that 2010 will be a transformational year for Globo driven by international expansion and, with our scalable business model, we believe that this will generate value for the Group's customers and shareholders.

Operations

The Group achieved strong growth in all divisions during 2009.

In the mobile sector, the commercial launch of CitronGO!, at the GSMA Mobile World Congress in February 2009, resulted in a high level of interest from mobile operators worldwide. Since then, the Group has rolled out business development activities in Latin America, North America, South East Europe, Middle East, India, China and South East Asia.

The early take up of CitronGO! has been very encouraging and reflects the strong positioning of the service through its successful international roll out following significant investment during the past two years. Having started 2010 with its first major contract, with a major operator in South East Asia with more than 85 million subscribers, we launched GO!Social, a social networking product for the youth market, at the GSMA in Barcelona in February 2010, and signed and MOU with a Latin American operator.

In addition, we have recently won contracts with an MNO in South East Europe for a CitronGO! social messaging and social networking service, together with a large scale SMS campaign by one of the largest mobile network operators in Africa.

The service to the MNO in South East Europe is based on the CitronGO! SaaS offering for which Globo will receive a fixed service fee per month per active user. The technical implementation is already progressing and is expected to be finalised by the end of May.

The SMS campaign in Africa will run for 3 months and is expected to generate revenues of approximately €1 million for the Group.

Profitel Communications achieved solid profitable growth, following the expansion during the year of the Software as a Service (SaaS) offering, with a contribution of €2.48 million to revenues for the year.

The Group increased coverage of its Wiplus service (Wi-Fi operations), adding new premium hotspot locations which now total 438 sites (2008: 350) which continues to contribute a profitable and recurring revenue stream.

In the private sector, new contracts with key customers reflect the Group's strong relationships and provide visibility for future revenue growth. The Group also expects the 4th European Support Framework to continue to support private business spending over the next 7 years.

In the public sector, new contracts have been won and delivered with several public organisations, mainly for E-Business and Wi-Fi projects. Funding from the 3rd European Support Framework provided the basis for further solid expansion in Greece. The 4th European Support Framework becomes effective in May 2010 and will enable the Group to achieve further growth in this area.

Globo has expanded its participation in private and public sector project tenders outside Greece with bids for new digitalisation and e-business projects in Cyprus.

The integration of Reach Further Communications Ltd, with the Group's service offerings for mobile operators, has resulted in business opportunities that will be exploited starting in 2010..

International expansion of the Group

The launch of CitronGO! represents a major step in the transformation of the Group to a player in global mobile services. CitronGO! targets an addressable market of more than 4.5 billion subscribers.

Globo is focused on progressing its international expansion and has already taken significant steps:

- Recruiting internationally experienced professionals in the mobile sector, who are working with regional teams to develop relationships with MNOs in Latin America, North America, South East Europe, the Middle East, India, China and South East Asia.

- Globo has established a regional office in Singapore to monitor and expand the Group's operations in the region.

- Integrating the CitronGO! and GO!Social platforms with local service providers along with language support for different global regions.

MARKETS

- Mobile Applications and Services

The global mobile market expanded significantly during 2009, with new entrants targeting all aspects of mobile provisioning, from games to mobile applications and mobile advertising networks. Globo's main focus is on the mobile market where through leveraging and maximising the potential of CitronGO! and GO!Social software services. While smaller local players operate in niches in this market, only a few players are competing with Globo's breadth of technology and global reach.

The main drivers of growth for the Group in the mobile arena are the following:

- CitronGO! offers a comprehensive service with true ubiquitous computing on a single screen on any mobile phone. .This aggregated service enables MNOs to generate data and additional service revenues from one application and through a single service provider (i.e. Globo), thereby maximising returns on advertising budgets;
- our SaaS and revenue share models, rather than software licensing, meets the current needs of MNOs, most of which wish to limit their investment in new services that traditionally have required large capital expenditure. While this trend has initially reduced Globo's profit margins, it provides a solid basis for growth and recurring revenue streams. In contrast, software license deals increase short-term margins but result in lower recurring revenues;
- the expansion into new geographies and the development of relationships with MNOs in different regions which can be leveraged by providing and cross-selling other mobile oriented services; and

- Globo’s sales and marketing capacity is expanding, alongside existing business development arrangements, giving the Group a presence in 66 countries.

We anticipate that Globo’s presence in emerging markets will benefit its financial performance for 2010 as market penetration rates for mobile services continue to grow with MNOs seeking to increase their data revenues.

We believe there is a major opportunity to distribute Globo’s applications and services through application stores. Application stores offer huge potential for the mobile software industry and are an entry point for Globo’s products into new regions and MNO channels that have not previously been accessible to the Group.

Additionally, opportunities exist for the Group to tie up with global handset manufacturers and internet service providers, portals, social networks and other partners, increasing our ability to grow our international presence.

- E-Business Software and Services

The E-Business market continues to grow as more private and government organisations appreciate the importance of such systems to operate and manage complex tasks and planning.

The corporate offering is based around the Group's suite of CITRON branded e-business applications where new contracts with key customers have been won, reflecting Globo’s strong relationships with customers and providing visibility for future revenue growth. Growing customer familiarity with our SaaS business model is resulting in the utilisation of new services, increased customer loyalty and recurring revenue.

In the public sector, the Group has won and delivered several new contracts with a number of organisations (mainly for E-Business and Wi-Fi projects), through funding from the 3rd European Support Framework. This has provided the basis for solid further expansion in Greece.

The 4th European Support Framework becomes effective in 2010 and will enable the Group to achieve further growth in both private and public sector sales.

- WiFi Broadband networks

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

- **WiPLUS** - The Group increased coverage of its WiPLUS service, adding new premium hotspot locations now totaling 438 (2008: 350). WiPLUS continues to contribute a profitable and recurring revenue stream. The 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 has delivered the biggest WiFi project ever run in Greece, in partnership with PC Systems S.A., and installed 190 public WiFi hotspots to provide free wireless broadband internet access to the public. Globo has won and delivered additional WiFi projects for municipalities and prefectures which are contributing to the leading position that the Group has in this market segment.

PRODUCTS AND SERVICES DEVELOPMENT

Globo believes that sustainable future growth will come from innovative products and services that satisfy a user's preference for either business or personal needs. Globo has continued to invest in both existing and new products.

- Mobile applications

Globo continued its investment in its suite of mobile products by enhancing the existing offering (CitronGO!, Citron Mobility Platform) and creating new applications such as GO!Social, a social networking service focused on the youth market.

As a result of the substantial resources invested in product development features which put CitronGO! at a competitive advantage include:

- ability to integrate more services (e.g. Facebook, YouTube, Twitter)
- support the growth in the rapidly increasing number of handsets
- new versions for Android, Windows Mobile, BlackBerry, BREW
- support several languages (including English, Indonesian, Spanish, German, Italian, French, Bulgarian, Arabic, Greek)
- provide several billing interfaces for MNO systems
- integrate with internal MNO systems (e.g. SMS, WAP gateways)
- provide tools for customer helpdesks and systems monitoring.

GO! Social is the result of current market trends and demand from MNOs who deal with the Group. GO! Social has been specifically designed to cater for the requirements of a younger generation. It is ideal for mobile operators, VAS Providers, handset manufacturers and other firms wishing to enhance their VAS product portfolios with an innovative service.

The development of GO! Social has resulted in a totally new user interface (similar to the iPhone experience). The integration of social networks, such as Friendster, Orkut, Myspace, Linkedin and V-Kontakte, and the development of a widget environment has caused a proliferation of applications. Significantly, GO! Social supports mobile advertising rendering within the Widget pages and Instant Messaging interface.

- E-business products

We have further developed the Citron E-Business suite, adding new functionality and modules to the existing product in order to fulfill customer requests and satisfy market trends.

KEY TASKS FOR 2010

The Group believes that 2010 will be a year of transformation for the business from a regional technology leader to an international mobile services provider.

During 2010, Globo is focusing on:

- winning new deals with international MNOs for our mobile service offering which we are enhancing further with the addition of our Widget technology;
- strengthening our international presence by establishing trade offices, as required, in several regions, starting with the opening of our new Singapore office in March 2010;
- developing our diversified business model (license, project, service) in our traditional business to sustain growth as organisations continue to move into e-business; and
- growing customer familiarity with our SaaS business model with a view to increasing the utilisation of new services, customer loyalty and recurring revenue.

We believe we have established a solid platform for future growth and are optimistic about Globo’s prospects for 2010 and beyond.

Costis Papadimitrakopoulos
Chief Executive Officer

FINANCIAL REVIEW

In 2009, Globo delivered a good financial performance with substantial growth in revenue, strong profitability and very positive operating cash flow.

Revenue reached €23.49 million, an increase of 31 per cent compared to 2008 (€17.93 million). The increase in revenue was fuelled by organic growth in the private sector (up 82.61 per cent on 2008) as revenue from the public sector declined this year (down 30 per cent from 2008). The revenue mainly consists of sales of the Group's own products and services (85.18 per cent) while 14.82 per cent of the revenue comes from sales of third party goods.

Gross profit increased by 5.2 per cent and reached €8.29 million (2008: €7.88 million) delivering a gross margin of 35.31 per cent (2008: 43.93 per cent). This decrease was caused mainly due to the fact that the Group had to provide more competitive offerings to its customers in both the private and public sector.

Operating expenses excluding depreciation and amortisation were €14.73 million, representing an increase of 38.44 per cent compared to 2008 (€10.64 million) in support of revenue growth. Depreciation of tangibles and amortisation of intangibles reached € 4.66 million (€3.60 million in 2008) reflecting the significant product development undertaken both in 2008 and 2009, mainly in the mobile products and services of the Group.

Operating profit increased by 12.53 per cent to €4.37 million (€3.89 million in 2008), delivering an operating margin of 18.62 per cent (2008: 21.7 per cent), while EBITDA increased by 20.56 per cent to €9.03 million (2008: €7.49 million). The net interest charge for the year was €1.17 million, an increase of €0.15 million, mainly reflecting working capital needs relating to significant public sector contracts.

Profit before taxes for 2009 was €3.20 million representing an increase of 11.89 per cent over 2008 (€2.86 million). The taxation charge for the year was €0.37 million (2008: €0.48 million) which relates predominantly to deferred taxation as the Group has taken advantage of special tax relief incentives provided by the Greek Government. These laws provide special treatment for investments made by the Group.

Basic earnings per share increased to €0.02 (2008: 0.018) per share.

Total assets grew significantly to €50.70 million at 31 December 2009 (2008: €38.39 million) of which €17.81 million were non current assets, €27.04 million were trade debtors, prepayments and other current assets, and €3.11 million were cash and cash equivalents.

Equity increased by 28.52 per cent to €17.80 million and total liabilities increased by 34.01 per cent to €32.90 million.

Trade receivables increased by €5.04 million for two main reasons. Firstly, the Group successfully completed a number private and public sector projects near the end of the year, but which had not been collected by 31 December 2009, and there were delays in settlement mainly on public sector projects. In addition, the growth achieved by the Group is reflected in higher receivables at the year end compared to the end of 2008.

As a result of the financial crisis, the Greek government delayed several scheduled payments under Third European Framework projects in which European Union pays approximately 75 per cent of the total amount with the Greek state paying 25 per cent. At 31 December 2009, total invoiced amount affected by these delays was €5.50 million receivable of which €1.93 million has been collected so far in 2010 with the Group expecting the majority of the balance to be received by 30 June 2010. Approximately 85 per cent of the monies received will be used to reduce short term debt with the remaining 15 per cent used to increase cash.

Increased profitability, well-controlled project management and public sector collections were received during the year, resulting in a very significant increase in cash generated from operations by 205.28 per cent to €9.25 million (2008: €3.03 million) while net cash from operations reached €8.18 million, increasing by 351.93 per cent (2008: €1.81 million).

Net cash used in investing activities was €9.14 million reflecting the significant investment in product development and infrastructure.

Dimitris Gryparis

Finance Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2009

	2009 €'000	2008 €'000
Continuing Operations		
Revenue	23,491	17,933
Cost of sales	(15,198)	(10,055)
Gross Profit	8,293	7,878
Other operating income	276	196
Distribution expenses	(1,081)	(1,178)
Administrative expenses	(3,020)	(2,985)
Other operating expenses	(95)	(25)
Operating Profit	4,373	3,886
Finance costs (net)	(1,172)	(1,024)
Profit before Tax	3,201	2,862
Taxation	(373)	(482)
Profit for the Year	2,828	2,380
Other comprehensive income:		
Exchange differences on translating foreign operations	24	(207)
Other comprehensive income for the year, net of tax	24	(207)
Total Comprehensive Income for the Year	2,852	2,173

Profit attributable to:		
Equity holders of the Company	2,820	2,380
Non-controlling interests	8	-
	2,828	2,380
Total comprehensive income attributable to:		
Equity holders of the Company	2,844	2,173
Non-controlling interests	8	-
	2,852	2,173
Earnings per share for profit from continuing operations attributable to the equity holders of the Company (€ per share):		
Basic and diluted	0.020	0.018

CONSOLIDATED BALANCE SHEET

At 31 December 2009

	As at 31 December 2009 €'000	As at 31 December 2008 €'000
ASSETS		
Non–Current Assets		
Property, plant and equipment	3,696	3,742
Intangible assets	12,827	8,235
Goodwill	842	842
Deferred tax assets	429	729
Other receivables	17	15
Total Non-Current Assets	17,811	13,563
Current Assets		
Inventories	2,730	1,745
Trade receivables	18,798	13,763
Other receivables	582	257
Other current assets	7,661	5,819
Cash and cash equivalents	3,113	3,245
Total Current Assets	32,884	24,829
TOTAL ASSETS	50,695	38,392
EQUITY AND LIABILITIES		
Shareholders' Equity		
Ordinary shares	1,916	1,781
Share premium	4,847	3,879
Other reserves	5,832	5,839
Reverse acquisition reserve	351	351
Translation reserve	(183)	(207)
Retained earnings	5,022	2,201
	17,785	13,844
Minority interest in equity	11	3
Total Equity - Capital and Reserves	17,796	13,847
Non–Current Liabilities		
Borrowings	2,699	3,292
Retirement benefit obligations	180	148
Finance lease liabilities	1,577	1,777
Other liabilities	100	100
Provisions for liabilities and other charges	92	47
Total Non - Current Liabilities	4,648	5,364
Current Liabilities		
Trade and other payables	13,529	7,660
Taxes payable	1,090	376
Borrowings	10,314	9,784
Accrued liabilities and deferred income	3,318	1,361
Total Current Liabilities	28,251	19,181
TOTAL EQUITY AND LIABILITIES	50,695	38,392

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2009 (€'000)

GROUP	Share capital	Share premium	Shares to be issued	Merger reserve	Other reserves	Reverse acquisition reserve	Translation reserve	Minority interest	Retained earnings	Total equity
Balance at 1 January 2008	**1,781**	**3,894**	**55**	**1,500**	**4,153**	**351**	**-**	**-**	**(179)**	**11,555**
Deferred consideration for acquisition	-	-	100	-	-	-	-	-	-	100
Share issue costs	-	(15)	-	-	-	-	-	-	-	(15)
Share based payments	-	-	31	-	-	-	-	-	-	31
Arising on acquisition	-	-	-	-	-	-	-	3	-	3
Total comprehensive income for the year	-	-	-	-	-	-	(207)	-	2,380	2,173
Balance at 31 December 2008	**1,781**	**3,879**	**186**	**1,500**	**4,153**	**351**	**(207)**	**3**	**2,201**	**13,847**
Balance at 1 January 2009	**1,781**	**3,879**	**186**	**1,500**	**4,153**	**351**	**(207)**	**3**	**2,201**	**13,847**
Fund raising	135	1,016	-	-	-	-	-	-	-	1,151
Share issue	-	(48)	-	-	-	-	-	-	-	(48)

costs										
Movement in the year	-	-	-	-	(7)	-	-	8	-	1
Total comprehensive income for the year	-11	-	-	-	-	-	24	-	2,821	2,845
Balance at 31 December 2009	**1,916**	**4,847**	**186**	**1,500**	**4,146**	**351**	**(183)**	**11**	**5,022**	**17,796**

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2009

	Year ended 31 December 2009 €'000	Year ended 31 December 2008 €'000
Cash Flows from Operating Activities		
Cash generated from operations	9,252	3,032
Interest paid	(1,239)	(1,071)
Taxation	163	(150)
Net Cash from Operating Activities	8,176	1,811
Cash Flow used in Investing Activities		
Acquisition of subsidiaries, net of cash acquired	-	33
Purchases of tangible and intangible assets	(9,208)	(6,541)
Sales of tangible assets	-	58
Interest received	67	47
Net Cash used in Investing Activities	(9,141)	(6,403)
Cash Flows from Financing Activities		
Proceeds from issue of share capital	1,143	-
Share issue expenses	(48)	(15)
Proceeds from borrowings, net of repayments	23	4,686
Repayment of obligations under finance leases	(286)	(271)
Net Cash from Financing Activities	832	4,400
Net Decrease in Cash and Cash Equivalents	(133)	(192)
Movement in Cash and Cash Equivalents		
Cash and cash equivalents at the beginning of the period	3,245	3,696
Exchange gain/(loss) on cash and bank	1	(259)
Net decrease in cash and cash equivalents	(133)	(192)
Cash and Cash Equivalents at the End of the Period	3,113	3,245

NOTES TO THE FINANCIAL STATEMENTS

1. General Information

The Consolidated Financial Statements ("the 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 3 Vaughan Avenue, Tonbridge, Kent, TN10 4EB.

(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) 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) 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 and 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 2006 applicable to companies reporting under IFRS. The Financial Statements have been prepared under the historical cost convention.

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. Segment Information

The Group currently operates mainly in Greece. The following 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 hardware to complement a software project.

Software products and services: The main activity of the Group is to sell its own software products and services to its clients both in the private and public sector.

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.

Transactions between segments are recorded at cost.

3. Segment Information (continued)

The Directors assess the performance of the operating segments based on revenue from external customers and gross profit. The segment information provided to the Directors for the reportable segments for the year ended 31 December 2009 is as follows:

	Third party goods	Software products and services	Telecom services (S.a.a.S.)	Total	Inter-segment balances	Total
	€'000	€'000	€'000	€'000	€'000	€'000
Total segment revenue	3,626	18,833	2,922	25,381	(1,890)	23,491
Intersegment revenue	(130)	(46)	(1,714)	(1,890)		
Revenue from external customers	3,496	18,787	1,208	23,491		
Inventory costs	(2,255)	-	-	(2,255)	14	(2,241)
Other expenses	-	(10,158)	(810)	(10,968)	1,867	(9,101)
Amortisation	-	(3,616)	(240)	(3,856)	-	(3,856)
Intersegment costs	14	1,700	176	1,890		
Gross Profit	1,255	6,713	334	8,302	(9)	8,293
Depreciation	-	675	50	725	-	725
Expenditure on tangible fixed assets	-	549	141	690	-	690
Expenditure on intangible fixed assets	-	6,591	1,776	8,367	-	8,367
Total assets	633	40,061	4,785	45,479	(1,580)	43,899
Total liabilities	786	12,010	2,559	15,355	(1,590)	13,765

The segment information provided to the Directors for the year ended 31 December 2008 is as follows:

	Third party goods	Software products and services	Telecom services (S.a.a.S.)	Total	Inter-segment balances	Total
	€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Total segment revenue	2,301	15,152	986	18,439	(506)	17,933
Intersegment revenue	(129)	(15)	(362)	(506)		
Revenue from external customers	2,172	15,137	624	17,933		
Inventory costs	(1,923)	-	-	(1,923)	129	(1,794)
Other expenses	-	(5,442)	(340)	(5,782)	377	(5,405)
Amortisation	-	(2,706)	(150)	(2,856)	-	(2,856)
Intersegment costs	129	362	15	506		
Gross Profit	378	7,351	149	7,878	-	7,878
Depreciation	-	641	21	662	-	662
Expenditure on tangible fixed assets	-	935	111	1,046	-	1,046
Expenditure on intangible fixed assets	-	4,752	225	4,977	-	4,977
Total assets	608	29,594	1,892	32,094	(619)	31,475
Total liabilities	613	6,743	1,193	8,549	(639)	7,910

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 year.

	Year ended 31 December 2009	**Year ended 31 December 2008**
Profit attributable to equity holders of the Company (€000's)	2,820	2,380
Weighted average number of ordinary shares in issue	134,570,873	130,589,530

Diluted earnings per share assumes that options and warrants outstanding at 31 December 2009 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 135,511,474 shares (31 December 2008 – 132,118,740).

5. Cash Generated from Operations

	Year ended 31 December 2009 €'000	Year ended 31 December 2008 €'000
Profit for the period before tax	3,201	2,862
Adjustments for:		
Loss on disposal of tangible assets	3	
Depreciation of property, plant and equipment	803	753
Amortisation of intangible assets	3,856	2,856
Movement in provisions	77	59
Share-based payments	-	31
Finance costs (net)	1,172	1,024
Adjustments for changes in working capital		
Increase in inventory and work in progress	(985)	(1,366)
Increase in trade receivables	(5,006)	(3,722)
Increase in current assets and other receivables	(2,169)	(3,651)
Increase in trade and other payables	8,300	4,186
Cash Generated from Operations	**9,252**	**3,032**